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THE INDIAN JOURNAL
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ORGANIZATION FOR DEVELOPMENTAL TASKS: ATOMIC ENERGY COMMISSION OF INDIA

Kamla Chowdhry and Vikram Sarabhai

IT is a common observation that understanding of the human factors of growth of institutions has lagged far behind advances in science nd technology. Certainly some of the most perplexing and urgent roblems of our time are not technological but human, organizational, ocial and political. One way to advance our understanding of the rowth of institutions is through a wider sharing of knowledge gained rom meaningful experience.

This article is presented in this spirit of sharing the meaning of a omprehensive experience. At one level it is the story of atomic nergy in India, at another level the story of Bhabha, the great innovator and organizer, and yet at another level, of the growth of institions and the introduction of change based on advanced technoloes.

One often talks of the imprint of the personality of a man on the anization he has created. Surely, what is referred to is the manner which his assumptions concerning the task and the motivations of ple are translated into a management system. Decentralization, gation, reporting and control, evaluation and motivation are as- s of the management system closely related to the objective of an nization. They also bear the imprint of assumptions which are e concerning the task. At one end of the spectrum are certain inistrative services, acting on past precedents and traditions pro- g security and continuity, impersonalized to the extent that if person is substituted by another, every one knows how the succes- will behave and operate under a given set of circumstances. At other end, there are organizations based on research and develop- t, involving individuals who act on insights and hunches,

non-conformists questioning assumptions, innovating and learning. The two extremes require organizations and working cultures which are rather different. Yet many tasks encountered in the contemporary world call for organizations wherein creative thinking and innovation are essential ingredients of survival as well as growth. The diversity of tasks that require to be performed within the governmental framework require individuals who are not only sensitive to the needs of the two cultures but can also provide a dynamic relationship to the conflicting systems. In this context, the study of atomic energy in India is of relevance, for a culture appropriate to research and developmental tasks was established within the framework of government.

This article examines the assumptions which influenced Bhabha's strategy when he created the Atomic Energy Commission, the Department of Atomic Energy and the Atomic Energy Establishment at Trombay. It follows how strategy was translated into organizational structures and administrative practices. Moreover, it discusses the implications of his assumptions and strategy indicating their relevance to other organizations and tasks.

APPROACH TO DEVELOPMENT OF SCIENCE[1]

The initial conditions for developing institutions based on modern science and technology are somewhat different in India (and many other developing countries) as compared to the more developed countries. Even though there is a substantial base of those who have a University degree, there is a shortage of competent scientists, technologists, and administrators. Bhabha emphasized that in India, the first step in building institutions was the training and development of people. In the Tata Institute of Fundamental Research, the first Institute Bhabha started in 1944, he brought together a group of young scientists who were given all the facilities and freedom to develop research and to develop "second generation" scientists. From the beginning he was careful not to take scientists away from universities, for he believed this would weaken the universities and consequently any programme of development of scientists in India. He worked towards strengthening the relationship between the Tata Institute of Fundamental Research and universities.

On the other hand, many national laboratories were at that time filling their senior posts with mature scientists from universities

[1] This section is largely based on Bhabha's paper "Science and the Problems of Development", Bombay, Hind Kitab Press, 1966.

Bhabha said, "the attempt to fill senior posts by mature scientists from outside must inevitably lead to their being taken away from the only institutions which have scientists in some measure, however inadequate in an underdeveloped country, namely, the universities". He added that this step by the national laboratories had resulted in a weakening of universities by taking away their (universities) most valuable asset.

In starting a new institution Bhabha considered it important to build the organization around people rather than draw an organization chart first and then fill in the vacancies. In discussing the Tata Institute of Fundamental Research he said, "No organizational chart of the future development of the Institute was submitted either when it was founded or later, and the philosophy has always been to support ability whenever it is found in the fields of work covered by the Institute. Indeed, the philosophy underlying the founding of the Institute was the same as that underlying the Max Planck Institutes in Germany, namely, 'The Kaiser Wilhelm Society shall not first build an institute for research and then seek out the suitable man but shall first pick up an outstanding man, and then build in institute for him'."

Two examples are given of building projects and development around people. To quote Bhabha:

(1) "As early as June 1944, Sir A. V. Hill had written to me suggesting that biophysics was a neglected subject in India and that it should be taken under the wing of the Institute. While I agreed with his suggestion, I did not think that it would be wise to embark on this line till someone was found, mature enough to be able to work on his own and build up a group. When, however, in 1962 my attention was drawn by the late Dr. Leo Szilard to a very promising Indian molecular biologist, it was decided to start work in microbiology, which has since then been growing very satisfactory.

(2) "Four Indian radioastronomers had jointly written identical letters to the Chairman of the University Grants Commission, the Director General of the Council of Scientific and Industrial Research, and to me as the Chairman of the Atomic Energy Commission offering to return to India as a group and establish radioastronomy here, if facilities and support could be given to them. Having ascertained that the members of the group had considerable original work to their credit and were of sufficient maturity to be able to work on their own in India, it was decided to take up radioastronomy at the Institute."

With such an approach only the broad lines of work were laid down and the greatest possible freedom was given to the staff to develop new ideas and fruitful lines of work. Institutions grew on the ability of various groups to expand fruitfully.

Equally important was Bhabha's approach to administration of scientific research and development. He said that it is a fallacy to believe that "we are reasonably advanced in administration but backward in science and technology". He was aware that different tasks and institutions required different types of administrative practices and that the transfer of government administrative practices, either to industrial enterprises or research and development produced inefficiencies and lack of morale.

Thus he said, "The type of administration required for the growth of science and technology is quite different from the type of administration required for the operation of industrial enterprises, and both of these are again quite different from the type of administration required for such matters as the preservation of law and order, administration of justice, finance, and so on. It is my personal view, which is shared by many eminent foreign scientists, that the general absence of the proper administrative set-up for science is a bigger obstacle to the rapid growth of science and technology than the paucity of scientists and technologists, because a majority of the scientists and technologists we have are made less effective through the lack of the right type of administrative support. The administration of scientific research and development is an even more subtle matter than the administration of industrial enterprises, and I am convinced that it cannot be done on the basis of borrowed knowledge."

Bhabha introduced administrative practices in the Tata Institute of Fundamental Research and later in the Department of Atomic Energy, which were alien to established university and government procedures. Scientists and engineers were paid according to their merit and maturity, rather than in terms of organizational position and status. Promotion did not imply handing over charge of one task and going over to another. Positions were created whenever competent people were available for identified tasks. As with personnel functions, Bhabha established for procurement as well as for civil construction procedures in which major decisions were taken by the scientists concerned.

Another factor that was important in Bhabha's approach was to provide to scientists and technologists opportunities of building their own know-how, of minimizing dependence on foreign know-how.

and of gaining experience even at the risk of failures. Thus, he said, "the emphasis has been throughout on developing know-how indigenously and on growing people able to tackle the tasks which lie ahead. The generation of self-confidence and the ability to engineer and execute industrial projects without foreign technical assistance have been major objectives." The Apsara reactor with its control system, which was decided to be built in 1955 "was entirely designed and built by our own scientists and engineers in just over a year". Regarding the control system for the reactor he said, "the important fact remains that the original control system even if more cumbersome and less elegant gave trouble free service for four years, and the confidence gained in doing it oneself fully justified the course that had been followed". Similarly in discussing the fuel fabrication plant built by the scientists and engineers at Trombay, he said, "producing fuel elements (from nuclear grade uranium metal) at a time when there were only about half a dozen countries in the world producing their own fuel elements added further to the self-confidence of our staff to undertake difficult tasks". To quote further his approach on foreign assistance:

> "The recent stoppage of foreign aid has shown our tremendous foreign dependence on a vast variety of materials and equipment, many of which could and should have been produced in the country long before this. We have found that a very large number of them can be produced as a result of the know-how which already exists in scientific organizations here, and steps are being taken to produce these in the country without foreign assistance. The results will show themselves within the next few years, and I have no doubt that the confidence which Indian technologists will gain thereby will spread to Indian industrialists and administrators, many of whom not having any basis of technical judgments of their own, are inclined to play safe by relying on foreign consultancy. Many examples can be given of foreign collaboration resulting in badly engineered plants or technical mistakes, and when such technical mistakes are corrected the foreign consultant benefits from the experience. Whereas, if an Indian scientific or engineering organization had been employed, the experience gained even from initial failures would have been a gain to the country. The Soviet Union did not hesitate to follow this path. One should also remember that in buying foreign know-how one is paying for an element which covers the cost of research and development done by the foreign consultant, and it is clear that a more permanent benefit would result to the country if this money were made available for supporting research and development in India."

The importance of Bhabha's approach as applied to industrial development is even more significant.

> "The steel industry has existed in India since the First World War, and one of the two steel plants was among the largest in the British Commonwealth in the early twenties. Yet, when these steel plants had to be expanded, it was necessary to draw upon foreign consultants and engineering firms to plan and carry out the expansion. When the Government decided to establish a steel plant in the public sector at Rourkela, a German consortium had to be asked to undertake the job. For the next steel plant with Russian technical collaboration. The third public sector steel plant at Durgapur had similarly to be set up with the help of a British consortium, and essentially the same method is being followed with regard to the fourth public sector steel plant at Bokaro. Thus, the construction and operation of a number of steel plants has not automatically generated the ability to design and build new steel plants. Unless powerful scientific and engineering groups are established during the construction and operation of existing steel plants as a matter of deliberate policy, the dependence on foreign technical assistance will continue and the steel industry will not reach a stage of technical self-reliance. A similar situation exists in almost every other industry."

A number of factors have been mentioned in this article which were emphasized by Bhabha. No single factor was decisive by itself. It was the combination and the inter-relatedness of these factors applied consistently that generated the forces of growth in the institutions with which Bhabha was connected.

GROWTH AND ACTIVITIES OF THE ATOMIC ENERGY COMMISSION OF INDIA

Atomic Energy Commission

Under the terms of the Atomic Energy Act, 1948, an Atomic Energy Commission was set up in August 1948. The Commission which was a policy-making body was assigned the tasks of "surveying the country for atomic minerals, to work and develop such minerals on an industrial scale, to do research in the scientific and technical problems connected with the release of atomic energy for peaceful purposes, to train and develop the necessary scientific and technical personnel for this work and foster fundamental research in nuclear sciences in its own laboratories and in the universities and research institutions in India". The decisions of the Commission were to be

implemented through the Ministry of Natural Resources and Scientific Research.

Dr. Bhabha was appointed the first Chairman of the Commission. Other members were Dr. Bhatnagar, Director General of the Council for Scientific and Industrial Research, and Dr. Krishnan, Director, National Physical Research Laboratory—all eminent scientists and deeply committed to the growth of science and technology in India.

The Commission decided that its first task was to develop scientific personnel that would be needed in future for its activities. It also decided to use existing institutions to do its preliminary scientific work instead of planning at the outset a number of new laboratories. Foremost amongst the institutions used was the Tata Institute of Fundamental Research of which Bhabha was the Director. The early history of atomic energy in India is so closely interwoven with that of the Tata Institute of Fundamental Research, where the early work of atomic energy and of training scientists was done that it has rightly been called "the cradle of India's atomic energy programme". The Tata Institute of Fundamental Research undertook research and later certain administrative responsibilities for the Commission, such as selection of scientists, purchase of equipment and stores, etc.

By 1965 it was felt that research and development in the peaceful uses of atomic energy had made such important strides that a greatly expanded programme would be required. The expanded programme would include producing all the basic materials required for the utilization of atomic energy and the building of atomic power stations for producing electric power. The Government realized that in order to plan and implement the envisaged programme it would have to modify the Constitution of the Commission so as to give it full financial and executive powers. The notification of the Government concerning the organization of the Atomic Energy Commission stated: "These developments call for an organization with full authority to plan and implement the various measures on sound technical and economic principles and free from all non-essential restrictions or needlessly inelastic rules. The special requirements of atomic energy, the newness of the field, the strategic nature of its activities and its international and political significance have to be borne in mind in devising such an organisation."[1]

In 1958, the constitution of the Atomic Energy was amended to provide it with greater powers. The amended constitution stated:

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[1] Department of Atomic Energy Resolution No. 13/7/58-Adm. dated March 1, 1958

"(*a*) The Commission shall consist of full-time and part-time members and the total number of members shall not be less than three and not more than seven; (*b*) The Secretary to the Government of India in the Department of Atomic Energy shall be the *ex-officio* Chairman of the Commission; (*c*) Another full-time member of the Commission shall be the Member for Finance and Administration, who shall also, be *ex-officio* Secretary to the Government of India in the Department of Atomic Energy in financial matters; and (*d*) The Director of the Atomic Energy Establishment, Trombay, shall be the third *ex-officio* full-time member in charge of research and development."

Regarding the Member for Finance and Administration it stated: "The Member for Finance and Administration shall exercise the powers of the Government of India in all financial matters concerning the Department of Atomic Energy. No proposal with financial implications shall be sanctioned without his prior concurrence."

A full-time member for Finance and Administration was included because the idea was that this member would be the chief official in the Department for finance and administration. However, it was soon realized that with the given set-up and nomenclature there was confusion as to the responsibility and accountability of the Chairman-cum-Secretary and the Member for Finance and Administration.

In 1962, the constitution of the Atomic Energy Commission was again amended largely to clarify the role of the Member for Finance in relation to the accountability of the Chairman-cum-Secretary of the Department. The revision provided: "(*a*) Instead of having a full-time Member for Finance and Administration, one of the members of the Commission was to be the Member for Finance and he was to exercise the powers of the Government of India in financial matters concerning the DAE except insofar as much powers had been or are in future conferred on or delegated to the Department. (*b*) The Chairman could also authorize any member of the Commission to exercise such of his powers and responsibilities as he may decide." Thus, it was amply clarified that the Secretary was responsible for the total administration of the department and that the Finance Member was to advise only on matters not delegated to the Department. It was also considered unnecessary to have a full-time Member for Finance.

The size of the first Commission was three members. With the first amendment, the Member for Finance was added, and later Shri J. R. D. Tata and Dr. Vikram Sarabhai were added. At no time the

Commission consisted of more than five members. In early 1966, the Commission was: Dr. H. J. Bhabha (Chairman), Shri S. Jagannathan (Member for Finance), Shri J. R. D. Tata, Shri Dharam Vira (Cabinet Secretary), and Dr. Vikram A. Sarabhai.

Bhabha being also Director of the Atomic Energy Establishment, Trombay, there was no separate member for Research and Development.

Some important landmarks in the development of Atomic Energy in India are given in Appendix I (p.20).

In reviewing the developments of atomic energy in India, three phases can be identified. The first phase from 1944 to 1954 was the training of scientists, and the starting of scientific groups under the leadership of competent scientist who could, with appropriate facilities and "autonomy of work", develop an excellent work. In this phase, the Tata Institute of Fundamental Research played a significant role.

The second phase could be broadly identified from 1954 to 1962. It marked the growth of the Atomic Energy Establishment at Trombay with emphasis on problems of technology. Three research reactors were built, and simultaneously, the prospecting of atomic minerals was pursued energetically through the Atomic Minerals Division. In this phase, research and development were important leading to pilot plants processing uranium ore, fabricating fuel elements, manufacturing electronic instruments, developing nuclear engineering for reactors, building a plutonium extraction plant, and establishing other facilities at Trombay.

The third phase which commenced around 1962 involved a logical continuation of the earlier development. This phase was the utilization of knowledge and skills acquired. Emphasis was placed on the contribution of the Department of Atomic Energy to economic development through atomic power projects and public sector industries based on the technology developed at Trombay. Trombay was considered a nursery where new developments would be continually nurtured and other sites in the country were identified where know-how and processes could be commercially established.

In the following sections, the role and management system of the Department of Atomic Energy with special reference to the Atomic Energy Establishment at Trombay are outlined.

Department of Atomic Energy

By 1964, the activities of the Commission had so expanded that the Government decided to set up a separate Department of Atomic Energy. The Minister in charge of the Department was the Prime Minister, at that time Shri Jawaharlal Nehru. For administrative convenience and close contacts with the main scientific activities which were in Bombay, the Department's headquarters were located in Bombay instead of Delhi. The Secretary of the Department was also the *ex-officio* Chairman of the Commission.

The research units, projects and other enterprises for which the Department of Atomic Energy was responsible in 1966 are: (1) Atomic Energy Establishment, Trombay; (2) Tarapore Atomic Power Project; (3) Rajasthan Atomic Power Project; (4) Madras Atomic Power Project; (5) Jaduguda Mines Project; (6) Thumba Equatorial Rocket Launching Station; (7) Space Science and Technology Centre; (8) Experimental Satellite Communication Earth Station; (9) Atomic Minerals Division; and (10) Trombay Township Project.

There are a number of institutions which are administratively attached to the Department of Atomic Energy for purposes of receiving grants-in-aid from the Central Government. The institutions falling under this category are: (1) Tata Institute of Fundamental Research; (2) Tata Memorial Hospital, (3) Indian Cancer Research Centre, (4) Physical Research Laboratory, and (5) Saha Institute of Nuclear Physics.

The Indian Rare Earths Limited, a Government Company, is under the administrative control of the Department. Proposals are also afoot to have the following industrial operations converted into public sector undertakings: (1) Electronics Production Unit at Hyderabad, and (2) Jaduguda Uranium Mines & Mill.

The Department has always been of the view that the constituent units of the Department should have wide powers for their day-to-day working. The Heads of these units have, therefore, been declared as Heads of Departments for administrative purposes and in the case of large projects, such as the Atomic Power Stations, apart from the powers delegated to Project Administrators as Head of the Department, fairly wide powers have been given to the Project Boards to enable them to give decisions on all administrative, financial and technical matters arising in connection with the execution of the projects. Only in a few restricted fields, the Boards are required to come up to the Department of Atomic Energy for sanctions.

In order to understand the role of the Department in relation to the units, the process of decision-making, service and control functions, selection and evaluation procedures, are discussed with reference to the Atomic Energy Establishment, Trombay.

Atomic Energy Establishment, Trombay (Bhabha Atomic Research Centre)

In 1954, the Commission decided to set up a separate institution for research and development—the Atomic Energy Establishment Trombay (AEET). To the existing groups for Chemistry and Metallurgy which were operating till then under the Department, were added the scientific groups for theoretical physics, nuclear physics and electronics, which were working on behalf of the Commission at the Tata Institute of Fundamental Research. Along with the scientists were transferred a few administrators to man the newly established Atomic Energy Establishment, Trombay. The number of officers involved in the transfer were about 54. These formed a numerically significant group in the Establishment and hence were able to carry successfully with them a culture appropriate to research and development.

In contrast, the established pattern of setting up new research laboratories was at that time significantly different. Although many of them were created under autonomous organizations, they were started in many cases by a "Planning Officer" seconded by Government. The result was a transfer of culture, but in this case of government administrative practices of recruitment, budgetary controls, purchase of equipment, etc., that were in fact inappropriate to the functioning of a scientific institution. The autonomy that was given to these research institutes was lost to a large extent by the omnibus adoption of Government rules and regulations.

By 1966, the Atomic Energy Establishment, Trombay was the largest scientific centre in the country. It employed a total of about 8,500 persons, of whom approximately 2,000 were professional scientists and engineers, and another 3,000 were technical staff, many of whom are science graduates. The annual budget of the Establishment is about Rs. 11 crores.

For the first few years the main task at Trombay was to provide [illegible]h of the scientific knowledge and understanding needed to design [illegible]construct reactors. The work soon expanded into many fields—[illegible]ic fuel, heavy water, radioisotopes, electronic instrumentation [illegible]equipment, uranium plant, agriculture, health physics, medical,

The organization structure of the Atomic Energy Establishmer Trombay is given in Appendix II (p. 21) The work is divided in five main research groups and an administration group, all reporti to the Director. The research groups and administrative functio are:

Research Groups	*Administration Groups*
1. Physics	Personnel
2. Metallurgy	Accounts
3. Electronics	Purchase and Stores
4. Engineering	Scientific Information (includir Library)
5. Biology	

Within the broad policy formulated by the Atomic Energy Con mission, the Director, Atomic Energy Establishment Trombay, assisted in his scientific and administrative decision-making by th Trombay Council and the Trombay Scientific Committee. The Tron bay Scientific Committee consists of the Directors of five major re search groups and 25 heads of Divisions. The Committee discusse proposals of research projects from each division, equipment an personnel required in relation to each project, and other related ma ters. The Committee meets once a fortnight.

The Trombay Council consists of the five Directors of Researc Groups and the Administrative Controller. The Director, Atomi Energy Establishment Trombay, is the Chairman of the Counci The Council discusses not only action to be taken arising from curren problems, but also forward planning based partly on informatio from the Chairman and partly on information from the Tromba Scientific Committee. The Council meets once a week.

Within the approved budget and subject to specific approval o capital items in the ways outlined, Trombay has considerable auto nomy to manage its own financial affairs. By agreement of the Com mission, the Director delegates financial powers up to approved limit to Directors of Research Groups and Divisional heads. Within th overall budget there are divisional budgets.

The Director of the Trombay Establishment is an *ex-officio* Mem ber of the Atomic Energy Commission for Research and Develop ment and has been delegated wide powers. Some idea of the delegate

powers of the Director can be seen from the following: (*i*) Reappropriation of funds under the Revenue Grant, (*ii*) Creation of temporary posts up to a salary of Rs. 2,000/- p.m., (*iii*) Granting higher starting pay and grant of advance increments, (*iv*) Sanction contingent expenditure after consultation with the internal finance adviser regarding availability of funds, and (*v*) Write off losses up to Rs. 25,000 in respect of stores. The Director can delegate his powers to any authority subordinate to him.

The problem of consultation, communication and control between the Atomic Energy Commission and the Atomic Energy Establishment Trombay was relatively simple since Bhabha was the Chairman of the Commission, Secretary of the Department, and Director of Atomic Energy Establishment. Projects which were approved at the Trombay Scientific Committee and the Trombay Council were assured simultaneously the sanction of the Department and the Commission because of Bhabha's common role. In such a situation, the role of administration in the Secretariat became one of service rather than of control. The Department assisted in getting the necessary equipment, stores, foreign exchange, etc., for carrying out projects.

Great care was given to the selection, training, development and appraisal of staff. In general, the policy was to recruit young science graduates, train and develop them within the Establishment. In order to meet the growing requirements for suitable scientific personnel a Training Institute was started in 1957. Selections are made on the basis of recommendations of duly constituted selection committees with elaborate selection procedures. Experts from universities and industry are invited to serve on these selection committees. Applications from science and engineering graduates with first and second class degrees are invited. Each selected candidate is given a stipend of Rs. 300/- per month. The faculty of the Training School is partly from the Atomic Energy Establishment Trombay and partly from the Tata Institute of Fundamental Research. In 1965, about 3,400 applications with first and second class degrees were received. Out of these 251 were selected on the basis of an interview—130 actually joined the school, and 125 completed the course and were appointed at Atomic Energy Establishment Trombay and in other units of the Department. About these young trainees, Bhabha said, "at the end of two to three years they become very useful scientists. The best among them are likely to become future leaders. We have found this method of recruitment very satisfactory, and although it has placed a heavy load on our senior staff by making the spectrum of our scientific staff much heavier at the junior levels than as it should be, it has provided a

powerful source of able young scientists on the basis of which the programme can be expanded continuously in future."[9]

The evaluation procedures at the Atomic Energy Establishment Trombay are the same as those evolved by Bhabha at Tata Institute of Fundamental Research. In evaluating a research worker's performance the first step is for the research worker to write his own report about his past performance in relation to the tasks set, mentioning any special accomplishments or problems. This report is then processed independently by two other assessors. The total report is then forwarded to the Director with recommendations for increments or promotions. Promotions from one grade to another are made not on the basis of vacancies, but on the development and worth of the individual research worker.

Bhabha was the Director of the Atomic Energy Establishment Trombay as well as of the Tata Institute of Fundamental Research. Practices and procedures "innovated" at the Tata Institute of Fundamental Research were used at the Atomic Energy Establishment Trombay, so that tested administrative practices appropriate to research and developmental tasks were introduced within a government organization.

SOME IMPLICATIONS

The question arose "Why did it happen? Are the experiences drawn from the growth of atomic energy in India translatable to other institutions and fields?" In the account we have presented, we cannot help noting a remarkable coming together of people and events: Independent India led by Jawaharlal Nehru who believed in transforming the nation through the application of science; Bhabha, a sophisticated engineer-cum-theoretical physicist who enjoyed the confidence of Nehru and possessed a wide international reputation and contacts; the exploding of the atom bomb over Hiroshima and Nagasaki which led to an unprecedented nuclear arms race under conditions of great secrecy; a horrified world eager to promote the peaceful uses of the atom and thereby coping with the guilt arising from ruthless military preparations; the release of scientific and technological know-how on an unprecedented scale following the first Atoms for Peace Conference in 1954, making available to countries, such as India, basic data which in other areas of economic significance could be purchased only at great cost. But if the ecology

[9] S. N. Gupta (Ed.), *Ten Years of Atomic Energy in India, 1954-64*, Bombay, Times of India Press.

and the factors for growth were ripe to make possible what has been described in this article, there is nevertheless a lesson in the story, which has significance in a much wider context. The following is a summary of what are believed to be factors contributing to the success of atomic energy in India and it is hoped that some useful guidelines will emerge, on the one hand, for policy makers concerned with developing institutions and organizations and, on the other hand, for organizational structures and administrative practices relevant wherever developmental tasks are to be undertaken:

(1) The concern, care and nurture of people who have knowledge and skills conveyed to them a sense of trust and the significance of their role in building society. Bhabha received all these from Shri J. R. D. Tata and Prime Minister Nehru, and in turn, gave it to the young scientists and engineers who came to work with him.

When Bhabha returned to India during World War II the Dorab Tata Trust created a Chair for him at the Institute of Science, Bangalore, so that he would have the freedom and facilities to do research. Later in 1944, when Bhabha wrote to Shri J. R. D. Tata suggesting an Institute for fundamental research in physics and mathematics, the Tatas accepted the proposal and the financial responsibility for such an idea. It is significant to note that the Tatas supported the idea at a time when nuclear physics had not become the "bandwagon" of science and more than a year before the explosion of the first atom bomb in Hiroshima. Also as Bhabha pointed out at a time "before it had been made public that atomic piles had been successfully operated and long before there was any talk of atomic power stations".

Bhabha also received support and understanding to an unusual degree from Prime Minister Nehru. Both men saw the essential role of science in transforming not only the economy of the country but transforming man. Nehru believed that if India was to be transformed from an industrially underdeveloped to a developed country, it was essential to establish science as a live and vital force in society. Nehru was the President of the Council for Scientific and Industrial Research, and later when the Department of Atomic Energy was established, he became the Minister in charge of the Department.

As mentioned earlier, Bhabha's approach to building institutions was to build the organization around men. No organization chart stood in the way of recognizing and rewarding talent. The Apsara reactor was built almost entirely by Indian scientists and engineers. He conveyed confidence in the ability of men and the men usually

rose to the occasion. Bhabha "protected" his scientists from bureaucratic procedures and organized administration largely as a service rather than a control function.

(2) The combination of policy-making, executive and scientific roles provided the Chief Executive, power, freedom and authority which were important. Bhabha was the Chairman of the Atomic Energy Commission, the Secretary of the Department of Atomic Energy, the Director of Atomic Energy Establishment Trombay, and Director of the Tata Institute of Fundamental Research. The combination of these four roles provided the Chief Executive with sufficient freedom and flexibility in decision making and commitment of resources. It also meant that the Chief Executive had powers and responsibilities which permitted full accountability.

The combination of these roles also meant that Bhabha was able to keep his "grass-roots" in scientific research. It was this facility of working as a policy maker, organizer and administrator on the one hand, and participating in the scientific work at the "coalface" level on the other hand that provided him the on-going understanding to motivate and manage his research workers. In research laboratories, and in other developmental tasks it seems important that the Chief Executive, besides policy-making and administration, maintain direct contact with his professional role. The creation of administrative practices appropriate to a given technology or set of tasks comes with familiarity and knowledge-of-acquaintance of the technology or tasks concerned.

(3) The early beginnings of any institution are crucial, and the "culture" (or lack of it) brought by the first entrants play a significant role in establishing norms, procedures and practices in the organization. The numbers should be large enough to achieve a critical size to permit positive interactions.

The establishment of research groups and the development of second generation scientists in the Tata Institute of Fundamental Research and in the Chemistry and Metallurgy Groups of the Commission preceded the setting up of the Atomic Energy Establishment at Trombay by about ten years. This transfer of a large group rather than a few individuals was significant in terms of the "culture" and success at the Atomic Energy Establishment, Trombay. In this connection, it is often necessary to spin off new institutions from existing ones transferring not only expertise but a social culture appropriate to the task.

An inappropriate social culture can also be transferred by appointing persons from a different working "culture". In this connection, he appointment in a key position or in large numbers at lower positions, f competent Government officials whose experience is primarily erived from routine administration, in research organizations or in ıdustrial enterprises is very questionable. Even though many of ıese organizations are established as autonomous in the legal sense, dministrative practices are introduced which negates the formal utonomy granted. The existing government procedures of selection, romotion, evaluation, budgetary controls, buying of supplies and quipment are highly inappropriate to the effective functioning of :ientific laboratories and industries involving complex technologies. ı other words, conditions have to be created through the selection of ppropriate men and through association with a mother organization › ensure that the formal and administrative cultures support each ther for the fulfilment of the task.

(4) In professional groups, scientists, engineers and others, it is nportant to recognize that motivation and control is largely inherent ıd contained in professional commitments. In organizations using ırge professional groups, the role of administration has largely be-›me one of service and not of control. This requires a basic change ı attitudes rather than a change in procedures and practices.

In the Atomic Energy Establishment, Trombay and other units lministratively connected with the Department of Atomic Energy, ıe organization structure and procedures were those of decentrali-ıtion. There was a minimum organization structure and formal ›ntrol. Even though there was a hierarchical structure, because of ıe nature of work it was not used as a means of communication and ›cision-making.

Within the broad policy set, research groups discussed and de-ed their objectives and targets. When research projects were ap-ved, associated with it was approval for budgets, equipment and npower. Budgetary and other controls were self-contained in the rmulation of projects. This again re-emphasized the role of ad-inistration as facilitation of work rather than outside control. The ›ed to control is almost an inevitable psychological product of the ructured field of which bureaucratic organizations are an example. 'ith the devaluation of hierarchical authority and positional status scientific work, mechanisms of administrative control were also :valuated. Control was exercised through discussion and judg-ent of peers.

(5) The body to which the Chief Executive refers for policy an strategic decisions must be compact in size and consist of membe chosen for their expertise and roles, rather than from a representation angle.

The number and membership of the Atomic Energy Commissic were important factors in setting the "tone" and "quality" of meetin and the policy decisions taken there. As mentioned earlier, the men bers of the first Commission were Dr. Bhabha, Chairman, Dr Shant swarup Bhatnagar and Dr. Krishnan, Director of the National Physic Laboratory. When the Deparment of Atomic Energy was establishe a member for Finance and Shri J. R. D. Tata were added as member Subsequently, Dr. Vikram Sarabhai was invited to be a Commissic member. The Commission consisted of 5 to 6 members (The Boa of the C.S.I.R. at present consists of 34 members), all significant able to contribute to policy making regarding nuclear energy and i development in India.

(6) There is a need for a constant interplay between the bas sciences, technology and industrial practice of economic progress to result from the activity undertaken. The wearing of several ha by the same person, as in the case of Bhabha and the mobility of pe sonnel from one type of activity to another have undoubtedly provid the impetus for growth in the projects of the Department of Atom Energy. We may contrast this with the practice prevalent in high educational institutions for basic sciences and technology and nation laboratories where the work of applying the results of research practical ends has to be done through other units, not organical related to the laboratories or the men that work in them.

(7) The conditions under which scientists and profession workers are motivated are somewhat different from those who work bureaucratic or industrial enterprises. Money, hierarchical status ar power are important needs for most, but to scientists and profession groups the need for autonomy of working conditions and self-dev lopment are also important factors.

Bhabha's philosophy was to identify the right persons, and th give them all the autonomy and support they wanted within the bro objectives. As mentioned earlier, these were also Bhabha's nee which were supported by Nehru and Tata.

There were a number of research institutions administrativ connected with the Department of Atomic Energy—the Tata Institu

Fundamental Research, the Saha Institute of Nuclear Research, ; Physical Research Laboratory at Ahmedabad, and other educanal institutions. This loose federation of institutions provided a que opportunity to the scientists of sharing experiences and infortion. Bhabha also encouraged and sponsored his scientists to end international meetings. The opportunity of meeting scientists 10 came from abroad, of sharing facilities, of attending meetings d symposia provided by intellectual environment, which would have en difficult to provide by any single institution. The relative automy, the mobility and interaction of scientists and engineers nationally d internationally were important factors in the motivation and orale of these people.

CONCLUSION

In this story of the phenomenal growth of atomic energy in lia, it has been attempted to identify some factors which ilitated growth. By implication it is also possible to discern facs which are unhelpful and inhibit development. The various factors licated earlier are interrelated and mutually dependent. A change one influences the total scheme of things, for in organizational strucres and culture, the whole is more than the sum of its parts. Strucres, procedures and techniques are important but these must be stained by a cluster of attitudes conveying care, trust and nurture the part of responsible persons. There is need to understand that re is a shift from simple to complex technologies, from stability to novation, from experience-based knowledge and skills to highly nceptual knowledge. The understanding of this change means the ognition of socio-technical systems rather than a mechanistic orgazation structure, the recognition that highly trained and professional oups have different needs and motivations, the realization that rarchical structures and systems need to be minimized and that concept of control is inherent and contained in professional mmitments rather than exercised from outside.

APPENDIX I

Some Important Landmarks in the Development of Atomic Energy in India

45	April	Tata Institute of Fundamental Research
48	April	Atomic Energy Act of 1948 received assent of Governor General
	August	Atomic Energy Commission set up
50	August	Indian Rare Earths registered as a limited company

1954	January	AEC decides to set up Atomic Energy Establishment Trombay
	August	Department of Atomic Energy created
1955	March	AEC decides to build Apsara reactor
	August	First U.N International Conference on the Peaceful Uses of Atomic Energy opens in Geneva under the presidentship of Dr. Bhabha
1956	February	Work on CIR reactor with Canadian assistance Radiochemistry Laboratory set up
	May	Decision to set up Uranium Metal Plant and Fuel Element Fabrication Facility
	October	Travancore Minerals Ltd. registered as a limited company
1957	August	Training School started
1958	March	Constitution of AEC revised
	June	AEC reconstituted
	July	Decision to build Plutonium Plant
	August	Planning Commission approves the building of India's first atomic power station at Tarapur
1960	February	AEC decides to build Uranium Ore Mill at Jaduguda
	May	Erection of Zerlina reactor begins
	September	Heavy Water Reconcentration Plant commissioned
1962	February	Administrative responsibility for Indian Cancer Research Centre and Tata Memorial Hospital both at Bombay transferred to the Department to facilitate rapid development and expansion of medical facilities and research in cancer and other diseases with the help of isotopes, etc. Indian National Committee for Space Research constituted
	March	Constitution of AEC further amended
	August	Decision to build second atomic power station at Rana Pratap Sagar, Rajasthan
	September	Atomic Energy Act, 1962 comes in force
	December	Kalpakkam selected as site for third atomic power plant
1964	January	Six more rockets launched from Thumba
	July	Three meteorological rockets launched from Thumba
	November	Three Nike-Apache rockets launched from Thumba in the international synoptic launching series

ADMINISTRATIVE REFORMS IN NEW ZEALAND PUBLIC SERVICE: 1962-66*

J. F. Robertson

IN 1961, a Royal Commission was appointed to enquire into the New Zealand State Services. Its terms of reference covered three main areas of government activity: firstly, efficiency of operations; secondly, personnel administration; and thirdly, machinery of government. After just over a year's deliberations it reported in June 1962. It was the first thoroughgoing stocktaking of the New Zealand State Services undertaken for 50 years, and as much, the Royal Commission itself, and the reforms which flowed not only for the present but also for the near future.

ENVIRONMENT FOR REFORM

An explanation of the social environment from which the reforms grew point to the reason why reforms was necessary and why the changes proposed were generally accepted. The 1912 New Zealand Public Service Act, which had its origin in a Royal Commission on the State Services in the previous year, had remained in force virtually unchanged for fifty years. The 1912 Act was written around the theme of freeing the Public Service from political patronage and a new independent body—the Public Service Commission—was the means by which it was to be given effect.

The Public Service Commission was thus created in 1912, by a legislature which had been primarily concerned with a world-wide move to establish a loyal and dedicated career service, free from the abuses of political patronage and "back door" appointments. It was given power of appointment, classification and grading, and promotion of public servants. Although appointed by the Government, it was responsible only to Parliament and acted independently of the Government of the day. In respect of these latter functions the new reforms make no fundamental change—in fact, a number of appointments which in recent years have been the prerogative of Government have become the responsibility of the new State Services Commission.

* Based on a lecture delivered by the author on September 27, 1966, at the Institute.

Within limits imposed by the Public Service Act 1912 and its amendments progress had been made towards providing the freedom and flexibility necessary in handling the complex organization and functions of a modern Public Service. Further progress was inhibited by the strictures imposed by an Act designed to meet conditions of a half-century ago, when public administration was far less complex than today and operating in a predominantly *laissez-faire* economic and social system.

The last three decades, however, saw an unprecedented growth in Government's functions due not only to changing political and social philosophies but also to increasing population, advancing technology, growing industrialization and urbanization, and the need further to develop an already strong primary-produce export industry.

This trend towards large-scale government activity, which had a parallel in the growth of the private sector, necessitated the building up of Departments with formal hierarchical organizations geared to discharge efficiently the social responsibilities placed on them by the legislature. Under the Public Service Act of 1912, a small, well-organized career service of high integrity was created, but the Public Service Commission found itself faced with two major problems—to keep the service sufficiently staffed and organized, and to ensure that it operated efficiently and economically.

Pressure for changes had been building up for some considerable time, particularly because of recruitment difficulties. A review of the situation in New Zealand at this stage made it quite clear that there were certain factors at work in the drive for reform. First there was the growth in size and increase in diversity of the State Services. This growth was largely, but not entirely, associated with the emergence of the welfare state. In the process the size and cost of the administrative structure created public concern and there was constant popular demand for the adoption of more businesslike methods in government administration, and the need for strong concentration on efficiency and economy. Secondly, educational patterns had changed and educational opportunities had been immeasurably improved, to the stage where it had become evident to the Service that recruitment had to be aimed at different levels and to suit highly developed specialization in occupation. Thirdly, the effect of over-full employment in New Zealand had made it difficult for the Public Service to obtain a fair share of the specialized graduates emerging from New Zealand universities, and fourthly, the accelerated rate of social and other changes had shown certain inflexibility in the State Services structure and control

designed for *laissez-faire* government before 1920. There was need to conduct a stocktaking and put the machine in order for the next few decades.

While much thought was given to the best approach to reform it is undeniable that most informed sectors of government and the public had formed an impression of what was needed. However, experience had shown in New Zealand that individual ideas on reform, no matter how brilliant, failed to get the status, or to reach enough of the public or the legislators to ensure change. A Royal Commission of eminent men, on the other hand, has a greater status and capacity to influence public opinion and those in authority, and the ideas and thoughts of individuals can be fed into it at its public sessions. The decision to appoint a Royal Commission was, therefore, well received.

THE 1961 ROYAL COMMISSION ON STATE SERVICES

The Royal Commission on State Services—commonly known now as the McCarthy Commission—comprised five members: a Chairman, who was a Judge of the Supreme Court, a University Professor, two prominent businessmen, and a highly respected retired General Secretary of the New Zealand Public Service Association (the Public Service Trade Union), and this gave a well-balanced team representing wide national interests. There was some criticism in the State Services at the time that the executive side of the State Services was not represented, but it was later to transpire that Permanent Heads and control agencies had adequate opportunity to appear before the Commission and put forward submissions.

It was supported by a full-time Technical Adviser (the author of this article) and Secretary drawn from the Service. For part of the time it was assisted by Counsel from the Crown Law Office, and in the latter stages of report writing drew in a university lecturer in English as an editorial assistant for the report. It had no task forces or special assistants, and in retrospect operated on what could only be regarded as a "shoestring" when compared to the Glassco Royal Commission's operations in Canada which was operating concurrently on a very similar term of reference.

The McCarthy Commission was given one year in which to report, with broad terms of reference to receive representations upon, enquire into, investigate, and report upon the organization, staffing, and methods of control and operation of departments of State, and to the extent that it considered necessary or desirable, of agencies of

the Executive Government of New Zealand and to recommend such changes therein as would best promote efficiency, economy, and improved service in the discharge of public business, having regard to the desirability of ensuring that the Government Service was adequately staffed, trained and equipped to carry out its functions. In this respect the terms of reference were practically the same as the Glassco Commission, but because of differing interpretations of their respective warrants the two Commissions embarked on widely dissimilar methods of operations. The McCarthy Commission decided to keep out of detail, and it is believed that this key decision has had a considerable effect on the success of its recommendations. For instance, it produced a one volume report of 369 pages with some 131 recommendations. The Glassco Commission produced a five volume report of 1996 pages and in excess of 300 recommendations.

The McCarthy Commission found two main weaknesses in the structure of the State Services. First, it felt that the chain of responsibility for efficiency was ill defined, and the procedures for checking and ensuring efficiency were inadequate. Second, it considered the methods of fixing salaries were not adequate enough to ensure recruitment and retention of sufficient officers of high calibre to discharge the onerous responsibilities of the Public Service. Most of the recommendations of the Commission can be grouped under one of these two headings.

It found no evidence to support the spate of wild and uninformed criticism commonly levelled at the Public Service. On the contrary it made it clear that the Public Service of New Zealand is loyal, honourable, and so far as could be observed, efficient. However, the Commission said, "In spite of these favourable symptoms, the State Services face a serious situation. They appear to us to have been living for years on their human capital . . The difficulty of maintaining (let alone improving) the quality of administrative leadership and of professional skill is the main problem facing the State Services today."

The McCarthy Commission also identified some twenty odd instances of problems in the allocation and co-ordination of functions between departments and recommended that the State Services Commission make an early investigation of these.

MAJOR CHANGES ARISING FROM THE ROYAL COMMISSION'S REPORT

The Commission's report, representations from the New Zealand Institute of Public Administration, and some quite strong public

criticism of some aspects of personnel administration all contributed towards influencing the Government to introduce legislation to the House as quickly as possible. At the time strong objections to what was termed "hasty" action were raised by the employee organizations and by the Opposition when debating the measure in the House, but it appears in retrospect that more was achieved with "hasty" action than might have been achieved had the legislation waited for a further one or two years.

The State Services Act 1962 was, therefore, passed in a very tense situation and became effective on January 1, 1963 amid some resentment from the employee organizations. While the strong feelings of those times have now subsided to a considerable extent, there is still an undercurrent of emotion existing in present day negotiations on the full implementation of matters arising from the McCarthy Commission's report and the State Services Act, particularly in the area of pay and allowances.

In a paper of this nature it is not possible to give in great detail the changes brought about by the Act. Many of the provisions governing the work of the Public Service Commission as a central personnel agency were brought forward into the new legislation with little or no change. However, it is interesting to see the impact of the McCarthy Commission's recommendations on other aspects of State Service administration and these are discussed under the following headings.

(I) Efficiency and Economy

The 1912 Act placed responsibility for efficiency in the Public Service upon the Public Service Commission which was itself responsible only to Parliament, not to the Government. Permanent Heads in charge of departments were made responsible to the Commission for efficiency and economy, but were yet expected to owe allegiance to their Minister for the efficient operation of the department as he was constitutionally responsible to Parliament for his portfolio. This dichotomy of responsibility caused real problems in administration. The Commission itself had no Minister to represent its views in Cabinet, and found that its responsibility to Parliament was not very effective because Parliament held each Government responsible for efficient administration during its term of office.

The McCarthy Commission pinpointed this fundamental weakness in the structure of the Public Service. It considered that Government

alone was responsible for efficiency and economy in the State Services and justified its views by an argument which went as follows. Wherever government finance is used or government owned assets are operated on state activities, Government is responsible for ensuring that efficiency and economy are the keynotes in every operation. It cannot divest itself of this responsibility merely by appointing an officer or board to exercise the executive responsibility. To discharge what must be regarded both as a constitutional and real responsibility, Government must develop an independent channel through which it may inform itself on the efficiency of any organization which it sets up. It must also create and develop centralized specialist services in training and management techniques which are competent to supply advice and assistance to departments and corporations striving to achieve maximum efficiency.

The State Services Act 1962 gave effect to these views of the McCarthy Commission. It clearly placed responsibility for efficiency and economy in departments, with the Permanent Head responsible to no one but his Minister for the efficient operation of his department. This responsibility has now been spelt out in much greater detail in the Public Service Regulations, 1964 which came into operation on August 1, 1964. It consists mainly of a regulatory requirement that permanent Heads must subject their departments to a specific stocktaking of functions, policies, methods, etc., at periodic intervals of not less than three nor more than five years. The Permanent Head must provide the State Services Commission with a copy of the report to his Minister recommending changes which are considered desirable. The Regulation also requires that the Permanent Head should have proper inspection systems, controls, training schemes, etc., and should make full use of modern machinery and techniques which improve efficiency and economy. While each Minister is himself constitutionally responsible to Parliament for the efficiency of his department, the fact is that Ministers acting collectively in Cabinet as the Government have to answer criticism of their administration in Parliament. The Act provides for a Minister in charge of State Services to be appointed, and the Prime Minister as Chairman of Cabinet assumed the portfolio but delegated the detailed administration of the ffice to the Chairman of the Cabinet Committee on Government administration (himself a Minister). To assist the Minister, an rganization the State Services Commission—was created to advise im on the general efficiency of the Service and is required to continuusly review the operations of departments to ensure that the sponsibilities placed on Permanent Heads are being effectively scharged.

As a further aspect of efficiency and economy the State Services Commission was, under the State Services Act 1962, made responsible for the provision of suitable office accommodation and for prescribing and supervising physical working conditions of all employees in the Public Service. This responsibility has been further elaborated in the Public Service Regulations 1964.

Although the Public Service Commission had no statutory responsibility it was actively concerned with office accommodation through membership of the Government Office Accommodation Board. In exercising its new statutory function the Commission retains the Accommodation Board as an advisory body.

The much wider field of prescribing physical working conditions of all employees in the Public Service, including office workers, is covered by the Commission itself and, where desirable, it uses the specialized knowledge and experience of other government agencies.

(2) *The State Services Commission*

A State Services Commission of up to four members was set up as a department of State responsible to the Minister of State Services with two major functions:

(*a*) To advise the Minister on the efficiency and economy of the State Services and to supply management and staff training services to departments as an aid to efficiency. For this function the Commission is responsible to the Minister.

(*b*) To operate a central personnel agency for the Public Service with considerable powers delegated to Permanent Heads. While in certain respects, such as Service conditions and salaries, the Commission is responsible to the Minister, the proviso to Section 10 of the Act states "... in matters relating to decisions on individual employees (whether matters relating to the appointment, promotion, demotion transfer, disciplining, or the cessation of the employment, of any employee of the Public Service, or other matters) the Commission shall not be responsible to the Minister but shall act independently". This retains the major objective of the Public Service Act 1912—to ensure the protection of a career service from political patronage.

Contrary to the views of sceptics at the time the Act was drafted, it has been possible to keep these two roles separate so far as ministe

responsibility is concerned. It was thought by some that because of ministerial responsibility in the first function, the Commission's power to act independently in relation to a second function might be curtailed. This has not proved to be the case since the Act came into force.

The State Services Commission is in essence a new Department of State which has absorbed the functions of the Public Service Commission. It is not merely the Public Service Commission under another name. The task of creating and developing a career Public Service has long been achieved. The function of the new Commission is to guide and assist the complex services which make up the machinery of government over the second half of this century. In respect of the broader functions of promoting and reviewing efficiency the Chairman of the Commission is in the position of head of a department responsible to a Minister.

A number of functions are new; for instance reviewing the machinery of government, and recommending on the allocation of functions between departments. Others the Public Service Commission was in fact performing, though without specific legislative authority.

The Act departs somewhat from the recommendations of the McCarthy Commission in setting up the State Services Commission. The recommendation was that there should be a single Commissioner responsible to the Prime Minister. In creating a Minister in Charge of State Services, rather than specifying the Prime Minister, the Government felt that it was improper and wrong in principle to bind future Prime Ministers in the allocation of portfolios, though Prime Ministers may well concur with the views of the McCarthy Commission and take this portfolio themselves as the present Prime Minister has done. The McCarthy Commission also felt that a single commissioner rather than a commission of four was more likely to preserve a clear chain of responsibility and act decisively. In considering this recommendation the view of Government was that in the performance of the functions in which the commission acts independently a commission of four had advantages which outweigh those of a single commissioner. In the performance of the functions for which the commission is responsible to Government the Chairman must accept all the responsibilities of a departmental head. The Service itself was reluctant to see a single commissioner, on the score that a strong personality with wide powers could accrete undesirable arbitrary powers. To a certain extent this could also have become a problem for Government.

In setting out the functions of the commission concerning efficiency and economy the Act does not give as wide powers as were recommended by the McCarthy Commission. The historical development of the

New Zealand State Services has seen the N.Z. Railways, the Post Office, Legislative, and Law Drafting, develop as autonomous departments outside the Public Service proper (containing the thirty-eight remaining departments) and outside the jurisdiction of the old Public Service Commission. While each had autonomy they were in practice co-ordinated as to conditions of service, salary scales, etc., with the rest of the Public Service through the operations of the State Services Co-ordinating Committee, a committee consisting of the Chairman of the Public Service Commission and the Permanent Heads of Railways, Post Office, Treasury and Education (co-ordinating the Teaching Service). Government corporations had also been created as autonomous bodies with little co-ordination exercised to keep them in line with the Public Service as to conditions of service.

The McCarthy Commission, bound in logic by its view of responsibility for efficiency and economy, recommended that the new State Services Commission have the same powers over these government organizations as over the Public Service previously controlled by the Public Service Commission. There were strong objections to these views from employee organizations and from the managements of the agencies concerned and this autonomy was protected first with the State Services Commission given power to supply management consultation services and staff training aids to these agencies as and when required. Since the inception of the Act on January 1, 1963 there has been a constant demand for these facilities. In addition, power was given to enable the Commission to complete efficiency and economy inspections of these departments and corporations, but they may only be done at the request of the Minister in charge of the department or corporation concerned. The authority is thus with Government to authorize inspections where it thinks fit.

The Commission's full functions are exercised, however, over the thirty-seven departments which comprise the Public Service proper.

(3) Personnel Policies

The McCarthy Commission carefully reviewed State salaries policy and finally recommended "fair relativity" with salaries paid to comparable occupations outside the Service as the basis for all wages and salaries in the State Services. This principle was adopted by Government because it considered that it met three essential requirements. First, it facilitated recruitment and retention of staff. Secondly, it had within it the flexibility necessary to enable adjustments to be made quickly, and thirdly, it gave a result which could be accepted as fair by Government, State employees and the general public.

Responsibility for determining salaries and conditions of service on the "fair relativity" principle for Public Service employees, other than permanent Head and some Assistant Permanent Head positions which are subject to annual appropriation, has been vested in the State Services Commission. The philosophy of "fair relativity" has been translated into law and practice by giving the State Services Commission power to issue Determinations prescribing salary scales, grades and conditions of service in respect of each occupational class. If the Public Service Association is dissatisfied with the Determination it can appeal to the Government Service Tribunal for an Order varying the Determination.

The information which the Commission needs to fix salary scales on the "fair relativity" principle comes, or will come, from three main directions.

First, the State Services Act provides for ruling rate surveys to be conducted annually in February of each year. In addition to the normal February surveys, provision is made for the taking of special surveys three months after any General Wage Order of the Arbitration Court to determine the extent to which the increase has been passed on by private employees. Increased rates provided by a General Wage Order of the Arbitration Court are not passed on automatically to State servants in New Zealand, mainly because these Wage Orders alter minimum or basic wage rates only, and through the influence of full employment most ruling rates exceed the minimum. Just how much employers take up the difference between minimum and ruling rates, or add to ruling rates when a General Wage Order becomes effective has to be ascertained by the survey. Once this is known it is applied to the State Services retrospectively to the date of the General Wage Order.

The McCarthy Commission also recommended as the second source of fair relativity salary information, a Pay Research Unit. Although this was not included in the State Services Act it is proposed that a unit be established as has been done in a number of countries including the United Kingdom and Canada. It is proposed that the unit be established as a branch of the Department of Statistics. It will be a statistical and fact-finding body and it will not play an active role in the State Services wage and salary negotiations. Its findings will be available to both the official and staff sides and can also be used by the Advisory Committee on Higher Salaries. So far this unit has not come into being mainly because of objections from the employee organizations.

The third source of salary information, available to the Commission, is coming from the Advisory Committee on Higher Salaries, recommended by the McCarthy Commission and set up by the State Services Act. This Committee follows closely the precedent of the Franks Committee in the United Kingdom, and consists of five eminent citizens of private enterprise who are required to apply the fair relativity principle to the most senior public servants.

The State Services Act, 1962 requires the State Services Commission to classify the Public Service into occupational classes according to the nature of the duties required to be performed. The provision arose from a recommendation of the Royal Commission on State Services, and from a growing awareness by those administering it that the five-divisional classification and general grading pattern of the Public Service Act, 1912, though suitable for the small Service of that time, had become too inflexible and generally unsuitable for a modern complex public service.

In this age of technology the Public Service has to compete with private industry and commerce for the best people available in a wide variety of skills. Classification by occupational class, with salary scales, grades and other conditions of service related to the needs of each class, offers the most effective and convenient base for ensuring that Public Service personnel are not inferior to their counterparts outside. This method of classification is an integral part of the application of the "fair relativity" principle in salary and wage fixation, because it affords the most efficient means of quickly applying the results of surveys of salaries in outside comparable groups with those in the Service. The transition from the old system to occupational classification is quite a task but nevertheless is now almost complete.

The principle of promotion by merit, firmly endorsed by the McCarthy Commission, was written into the new Act in the following form :

"(4) In the event of two or more officers being available for the same position, preference shall be given to that officer who, in the opinion of the Commission, has the most merit for appointment to the position.

(5) For the purposes of this Act, the merit of an officer for promotion shall be determined by:

(*a*) Work experience and competence shown in performance of duties previously carried out by him; and

(*b*) Personal qualities, characteristics, and attributes relevant to the position to be filled; and

(*c*) Relevant educational or other qualifications: Provided that, where two or more officers who are applicants for a vacancy are adjudged to be equal in merit for promotion having regard to the matters specified in the foregoing provisions of this subsection, regard shall be given to the length of continuous permanent service of each officer."

Practice since the Act came into operation gives confidence that the merit provision is a good one and has little need of the proviso.

Appointments of officers to some 86 of the most senior career positions in the 37 departments of the Public Service are exempted by the Act from challenge by other applicants at the Appeal Board. In making this decision Government was guided by several considerations including a recommendation of the McCarthy Commission which, although not accepted, did point to the need for some action in this direction. Today top administrators in Government have to have a wide variety of talent to manage highly complex organizations. In selecting them for this task many factors have to be taken into account, and these factors are best assessed by an administrative group, which can judge on what can, in accordance with its procedures, be properly put before it. Experience has shown, and commonsense has dictated, that a judicial tribunal cannot have the same competence to decide between people as a group of experts, the people with the most intimate knowledge, can have. (Long experience in Railways, Post Office, and the Police, where, 40, 18 and 16 senior positions respectively, are exempt from appeal has confirmed this viewpoint.)

To make appointments to these positions in a fair manner, special provision has been made for an augmented State Services Commission to act, consisting of the Chairman of the Commission, a member of the Commission and two Permanent Heads appointed by the Minister from a panel of eight Permanent Heads elected every two years by Permanent Heads. Before appointing one of the two Permanent Heads the Minister is required to consult with the N.Z. Public Service Association to try to reach agreement on which one of the panel should be selected. In addition, the augmented Commission is empowered to seek advice or assistance in its deliberations from such competent experts as it may from time to time decide to co-opt.

The employee organizations protested strongly about this legislation on the grounds that it took away from public servants appeal

rights which had been present for many years. They refused to accept the arguments for the change and since the legislation was passed have refused to exercise the right given to them under the Act. Lack of participation does not void the legislation, however, and since the Act commenced appointments made have been generally accepted and have not breached the career service principle.

One important safeguard for serving officers is that should a person outside the Public Service be appointed to an exempt position there is a right of appeal. This was retained as protection for the career service.

(4) *Machinery of Government*

It will no doubt be noticed by this time that the McCarthy Commission was concerned to ensure that the new structure of the State Services had built in review machinery to ensure that there was a continuous adjustment to change. This is well shown by the role of the State Services Commission and by the continuing review responsibility placed on Permanent Heads. A further factor is the machinery which the Royal Commission recommended for the review of functions which was built into the State Services Act in the following way:

> "(*i*) The Commission shall, in respect of the Departments of the Public Service be responsible for:
>
> "Reviewing the machinery of government, including the allocation of functions to and between Departments, the desirability of or need for the creation of new Departments, and the amalgamation or abolition of existing departments, the co-ordination of the activities of departments, and the extent and nature of controls exercised by any one Department over the operations of another Department." (Section 12)

Years of experience has shown that functions of government, important say 20 years ago, are often continued in operation long beyond their practical or social usefulness. The rapid growth of individual departments over the last ten years has also shown that frequently the boundaries of jurisdiction between two departments are not always clear and that some duplication of effort as between departments can arise. Some functions carried on in one department may also be more effectively carried out with some other functions in another department.

Because of the presence of these factors it was recognized that in the interests of efficiency and economy some uncommitted organization should be given this review role on behalf of the Minister of State Services. The State Services Commission has found this to be the most difficult role of all, because the status of individual departments is concerned as well as the aspirations and feelings of individual Ministers. Resistances to change are not easy to surmount and most changes of any consequence end up for approval either with the Cabinet Committee on Government Administration or with Cabinet itself. The recommendations of the State Services Commission nevertheless carry great weight in these central government institutions.

CONCLUSION

What then was the overall effect of the McCarthy Commission? Considering that it did not present its report until July 1, 1962 and resulted in the passing of an Act incorporating its major proposals, effective from January 1, 1963, it must be judged to have been timely, well reasoned and persuasive. Action did not stop with legislative action. Recommendations which did not require legislation have also been actioned. Of the 131 recommendations put forward by the McCarthy Commission only thirteen were not adopted. All of these thirteen were not rejected out of hand—at least half of them lead to alternative decisions being taken. More than ninety recommendations have been put into practice—in a few cases in a modified form—and the necessary action has been taken to investigate or otherwise give effect to the others. A large number of the latter are functional changes in organization or machinery of government and have taken time because physical changes could not be achieved overnight. Only four have not been considered, and this is because they are awaiting the completion of precedent action.

The changes resulting from its recommendations which have been described above can be seen in legislation and changed policies. There are also important resultant changes which can be felt. The impetus in thought which the report gave has created progressive and healthy attitudes in both State servants and the public. They look to the future with much more confidence; there is zip and energy in the search of efficient and economical government operations; there is awareness of the need for constant adjustment to change and the need to replace organizational inertia with the spirit of initiative and enterprise. Altogether this augurs well for the future.

Probably the factors which have contributed most to the success of the McCarthy Commission were :

(1) A particularly wise choice was made of the Chairman and members of the Commission. The balance was perfect and contributed a great deal to the logic of the report.

(2) The Chairman refused to let the public hearings of the Commission provide a forum for expression of partisan views, and generalized criticism of the State services. He also made it plain that the enquiry was not for the purpose of ascertaining past misdeeds, but for improving what already exists.

(3) The Commission refused to become enmeshed in detail and concerned itself not with model building, but with providing permanent machinery for this purpose.

(4) The Commission always kept in mind that its recommendations should be practical ones in tune with the environment at the time the report was to be presented. It refrained from theoretical concepts and statements.

(5) The Government strongly supported the setting up of the Commission and took resolute action on its recommendations.

(6) The old Public Service Commission notwithstanding some criticism from the McCarthy Commission was prepared to officiate at its own demise, and did so with considerable credit.

(7) The short reporting time, and the speed with which the recommendations were translated into statute, built up an expectancy of change which was capitalized upon before interest was lost.

(8) The Technical Adviser to the McCarthy Commission (the author) was able to bring continuity to processing the report, to speed up these activities, and to translate intent gained from close working with the Royal Commission into rules, regulations and statute. He was transferred (when the McCarthy Commission reported) from its staff to the staff of the Public Service Commission to process

recommendations through for approval of Government. He also prepared the State Services Act, briefed Government members, and assisted negotiations with employee organizations. He also prepared the Public Service Regulations and as Secretary to the State Services Commission was involved in implementation of the full intent of the changes.

(9) The new State Services Commission's tactics and actions have created the right spirit in departments for the success of changes proposed.

FUTURE OF GENERALIST

R. P. Khosla

IT is often argued that India of today and of future needs many more experts in decision-making posts in the government if she is to succeed in accelerating the pace of her economic and technical development. It is said that the generalist-dominated system of government was devised to meet the requirements of a colonial administration and with the disappearance of the colonial administration, with its essentially limited objectives of policy, the generalist, too, should disappear, yielding place to the specialist. Not only has the disappearance of the colonial system of government made the dilettantism of the generalist anomalous, but the requirements of planning and development in a scientific world call for policy making to be entrusted to the expert; in other words the man who is a specialist in a particular field is also the best man to make policy in that field.

Within the last decade the demands of the experts have become more and more vociferous and, along with them, criticism of the amateurishness and ineffectiveness of the generalist-dominated system of administration. Government today is drawing into its fold engineers, doctors, statisticians, economists and so on, in numbers that it has never done before, and as a result we have a new and growing category of persons, with a new type of skill and very different ways of thinking, entering into a world traditionally dominated by the generalist administrator. The result has been conflict, friction and a feeling that the whole question of relationship needs to be re-examined. Old values are being shaken up and questions raised about assumptions that have always been treated as revealed gospel. Since the formulation and implementation of more and more programmes of government is going to involve scientists in ever increasing numbers, it is important that the pattern of the relationship be re-examined in the light of the demands that are going to be placed on the machinery of administration in future.

Administration in India is dominated by the generalist administrator. In this respect there has been no significant change from the pre-Independence pattern. The steadily increasing and diversifying functions of government have not led to a multiplication of the

categories of groups that perform these functions but instead to an enlargement of the size of one of the existing categories—the generalist administrative class. With the rapid enlargement of this class, the range of functions assigned to it has widened to a point where one end of the spectrum appears to have nothing in common with the other. A generalist may move in rapid succession from the field of auditing of accounts to the administration of programmes of fisheries development, and from there to programmes of family planning. The apparent absence of a system governing the staffing pattern tends to suggest that the generalist with no special qualifications should be confined to the limited role occupied by him in the past and that the administration of new programmes should appropriately be entrusted to new groups of people who possess specialized knowledge in these fields.

Before examining the implications of the changed context of government it would be proper to summarize somewhat briefly the criticisms that are usually levelled against a generalist-dominated administration. It is urged that in a planned economy where rapid economic development is essential for the very survival of the system, the amateurism of the generalist is an expensive and unproductive luxury. The generalist is accused of being bureaucratic in the worst sense of the word. He is said to be concerned more with the correctness of procedure and due regard to precedent than with the quality of decisions themselves. As a result of his periodical transferability from one job to another the generalist spends most of his time either learning about his new job or winding up affairs in anticipation of a transfer. The intervening period of effective administration is extremely short and as a result of this the continuity of planning and implementation of programmes is lost.

These criticisms have not been levelled only against the generalist in the Indian context but also in the United Kingdom where the generalist administrator performs a similar role to the one in this country:

"The amateur attitude is fundamental to the philosophy behind the current structure and organization of the Administrative Class.

"It seems to have arisen in recognition of the fact that to properly fulfil his function of advising Ministers on policy and supervising its implementation, it is essential that the administrator should be unbiased The theory seems to be that to achieve an open mind he must not be allowed to run the risk of acquiring

> prejudices from professional interest, pre-conceived ideas fro specialization, lack of perspective from experienced knowledg nor conservatism from mastery of or long standing familiarit with a particular subject. The administrator must, therefor remain an amateur or what in other walks of life would be de cribed as an odd job man. His 'versatility' is ensured o Madhatter Tea Party lines—or what is more respectfully descril ed as interchangeability."[1]

It is also said that the whole approach of the generalist to a pr blem is static rather than dynamic, much more concerned with t maintenance of the *status quo* than with progressive innovation, mo concerned with protecting the Minister than pursuing policies whi he knows to be good and which he personally believes in. His exce sive preoccupation with the remotest repercussions of his proposa results in an unduly cautious attitude and a tendency to view enth siasm and commitment with suspicion if not with hostility.

The criticisms against the generalist-dominated system spri not only from the apparent inadequacies of the generalist but al from a sense of deprivation of the specialist. The specialist has submit to the finality of decisions taken by the generalist on issu that have an important bearing on his field of specialization. Not on is the specialist placed in an inferior position as regards decisio making but also in the matter of status, emoluments and prestige t specialists as a group are not on a par with the generalists. In su a situation, the very fact that a man is a specialist relegates hi permanently to a position of subordination to the generalist who distinctive quality is not more intelligence or more experience b in fact a greater ignorance about the subject he is dealing with th the specialist in that subject. This results in a sense of frustrati in the experts and tends to discourage the really dedicated expert fro entering government. It produces a situation in which the inevital conflict between the power of knowledge possessed by the expert a the power of position enjoyed by the generalist is almost alwa resolved in favour of the generalist.

In the controversy over this question of relationship, it is urg that the argument that the specialist should be "on tap" rather th "on top" is a survival of a philosophy of colonial government. Sin the whole concept of the role and functions of government as w as the methods of work have changed under the demands imposed

[1] "Civil Service Looks at itself", from *The Economist* (U.K.).

it by the imperatives of planning and economic regulation, a system and concept that continues to exist merely because it is a survival from an earlier age requires a very close reassessment of its suitability to the requirements of modern administration.

It is proposed in this article to re-examine the role of the generalist and to consider whether the admittedly extensive change that has taken place in the nature of government in the middle of the twentieth century and the pattern of change that is emerging for the future should be accompanied by any changes in the staffing pattern and the qualifications of persons responsible for making policy. It is, of course, true that the concept and role of a generalist civil service is a product of the nineteenth century, a period during which the aims and ideals of state policy were very different to what they are now and when the impact of science had not made itself felt on the method of work and the choice of means to achieve desired objectives. But does this change really alter fundamentally the role of the generalist ? Is the main justification for the existence of the generalist in the administrative machinery simply the fact that in the past the role of government was a very limited one and the abilities required to perform it merely a form of broad commonsense ? Is here merely an anachronistic survivor from an age when science had not intruded into the field of administration and specialized skills of little value in the formulation and implementation of policy ? If this is true, it is difficult to escape the conclusion that as government enters fields in which technical factors begin to play an important part in decisions, the generalist must give way to the specialist whose knowledge of technical matters is far greater.

An important consideration in dealing with this issue is how we define the generalist. Do we define him in a purely negative sense, *i.e.*, a person who is not an expert or not a scientist, or is it possible to define him in a more positive way ? A positive definition would require an identification of certain skills, certain qualifications which would be essential if he is to administer properly. In other words it involves the recognition of the fact that administration is a profession as much as law, or medicine or engineering is a profession and that there is a clearly identifiable body of knowledge and skill which go to make up the professional expertise of the administrator. In order to be effective it is as important for the administrator to possess these skills as it is for the engineer to possess construction skills or the doctor to possess diagnostic skills.

Administrative expertise may be said to be composed of two broad types of skills: managerial skills which are concerned primarily with

the operation and maintenance of the organization, and political skills which consist of an understanding of the constraints on administrative action.

The primary focus of managerial skills is the organization Society today is dominated by organizations. The goals of moderr society have become so vast and so complex and that they can onl be achieved through organizations whether set up by the state or by a group of private individuals. The organization has been recognizec to be the most rational and the most efficient means of co-ordinating th effort of a group of people to achieve a desired end. The pattern o the future will, if anything, consist of larger and more complex organi zations. The administrator must know how to make this organizatio work, how to get the best out of this machine and also to what ends t direct its activities.

Organizational skills can be divided into structural skills, super visory skills and programme skills. Structural skills are principall concerned with the mechanistic aspect of organizations and requir a knowledge of principles of organization which determine the shap and structure of the organization, personnel management practice essential for the proper maintenance and repair of the organizatio and so on. Supervisory skills are principally concerned with the fiel of human behaviour. Ultimately the administrator is concerne not so much with his own ability to do a particular job as with hi ability to get others to do it effectively. His main responsibility i to plan, assign functions and secure the most effective performanc of these functions by those he supervises. For this an understandin of the management of people and administrative behaviour is impo tant. Although the behavioural science approach to administratio is the product of fairly recent researches, these researches have opene up an entirely new set of concepts of human behaviour in organiza tion. The existence and significance of informal organization, th Hawthorne Experiments and their discovery of the functioning of wor groups. Maslow's hierarchy of needs, McGregor's "Theory X" an "Theory Y", all of these have generated a new awareness of organiza tional behaviour, motivation, morale, incentives and so forth. Admi nistrative effectiveness can no longer be viewed as merely a result c issuing clear orders and following them up with system of close chec to ensure compliance. The entire trend of modern research int organizational behaviour has been to demonstrate the limitations c pure authority as a means of influencing others and to highlight th importance of proper motivation. A really efficient organization one in which the superior can develop in his subordinates a genui

commitment to organizational goals. Knowledge of how to do this effectively and of the obstacles likely to be met is an essential ingredient in the skills of a competent administrator. It is not a function that can be left to the professional psychologist or the behavioural scientist. Their theories may provide guidelines to the administrator but his effectiveness will increasingly come to depend upon his understanding of the ways of influencing the behaviours of people in the organization.

Programme skills are concerned with effective programme planning and execution and consist of such things as the proper use of research as a prerequisite to planning, the use of statistical methods, techniques of forecasting, budgeting, resource allocation and a variety of aids to decision making, such as Operational Research, Linear Programming, PERT, and so forth. The administrator does not have to be an expert in the application of these techniques to particular problems, but he must know what can be achieved through the use of these techniques and how they can be used to reduce the amount of guess work that goes into making administrative decisions. With every decision becoming a product of more and more complex factors, unaided commonsense cannot any longer be the sole criterian for choice of alternatives.

In this article these skills have been categorized as managerial skills and one would say that managerial skill is largely independent of what is managed. It is a technique, a method of work that can be applied equally effectively to the management of different programmes. The professional expertise of the administrator is determined not so much by the depth of his subject-matter knowledge but by the quality of these skills possessed by him.

The second broad category of skills which have been mentioned above is political skills. Except in a totally arbitrary and dictatorial system of government, the administrator has to operate within certain constraints, economic, political, legal, and social and if he is to be of any good he must possess an understanding of these constraints. He must have a clear appreciation of the ends that the administrative organization can and should be used to achieve as well as of what is possible and practicable. This understanding and awareness is basically as important as managerial skill. It is a combination of these skills that produces the true professional administrator, the man who possesses a definite body of professional knowledge which is quite distinct from the professional knowledge of people in other fields.

It would be fairly obvious that the higher one rises in an organization the more one needs to possess these skills. The emphasis shifts from operational skills to supervisory skills and from implementation to planning. At the upper levels the administrator tends to be concerned with the organization as a whole and not so much with individuals he is concerned, for instance, with the scheme of incentives or the scheme of recruitment rather than with how a particular worker can be made to work better or how a particular post should be filled. He tends to be concerned with policy more than with execution. In dealing with policy he needs to develop the ability to look at problems in their entirety and in their relationship with other inter-connected factors. His concern is no longer with the organization itself but with its relationship to society as a whole.

So far it has been tried to show that there is a definable group of skills that together comprise professional administrative skills. The next question that arises is how can these skills best be developed in those who are entrusted with administrative responsibility. The answer obviously is partly by training and partly by experience. Once the skills have been identified, it is not difficult to draw up a programme of instruction designed to impart a knowledge of skills. It is, however, often believed, as a consequence of this line of argument, that a specialist can easily be given a broad generalist course of training, implanted thereby with the seed of these administrative skills and then assigned responsibility of administering an organization and making policy for it. But is this really the only factor that distinguishes the administrator from the specialists and the others—training in the basic skills of the profession of administration ? Is this enough to transform the expert into an administrator ?

It is important here to realize the limitations of a training programme. A programme of this sort is only the first step in the making of an administrator. It is merely like turning a man who is standing at the junction of many roads to face in the right direction. It cannot be any more than that. Basic administrative skills cannot be acquired during a course of training. They can only be described. This description may accelerate the process of learning by doing. It cannot replace it. The essential knowledge of administration is the product of practical experience, of a long process in which the administrator has to take decisions in which these skills are repeatedly called into play.

In developing these skills by far the most important factor is career planning. It is all too easy to regard a generalist as the jack-of-

all-trades (an allegation often made against him in a derogatory way) and move him around haphazardly from one trade to another. Since he seems to have no particular field of special subject-matter knowledge and since administration pervades all fields of activity, there is a danger that he will be regarded as equally good in all fields. The complete and almost random transferability of the generalist, however, often ends up in his being regarded as equally bad in all fields. He comes to find himself a target of criticism by the expert and by every one else besides. The criticism then gets transferred to the entire system and the very necessity of having any generalists at all is called into question.

Primarily, it could be said that the criticisms indicate a defect not in the system itself but in the way that it is operated. The career of the specialist plans itself. His very qualifications determine the path which he will have to traverse. For the generalist this determination is not automatic. His qualifications do not themselves point out clearly the direction in which he must move. Because of this possibility of random movement, a conscious effort has to be made to give a generalist administrator carefully planned experience of a series of assignments which will enable him to develop the various skills that go to make up administrative skill. Therefore, career planning, above all, is the essential process in the formation of an administrator—career planning that provides him with a reasonably representative cross-section of experience in organizational management, programme planning, field administration and of working within a framework of political, sociological and economic constraints.

This type of experience is indispensable for people who are to administer and direct large organizations and make policy for them. As one approaches the higher levels of an organization the technical content of decisions becomes smaller and smaller till it becomes only one of many factors that have to be taken into account in making decisions. In this situation it becomes necessary to entrust such decisions to a group of persons whose training and experience have developed in them the ability to go beyond the technical content of a decision, to see it in its wider ramifications.

An inescapable consequence of this argument is that the type of career planning that is designed to produce these qualities in those who are to administer and make policy, necessarily eliminates the expert from the functions of administrative management and policy making. The very nature of his work and his qualifications closes the door to this type of career planning, because unless you are prepared to

misuse the specialist and waste his specialized knowledge you cannot provide him with the type of career planning which is essential to widen the range of his skills. The short, concentrated training course is no answer to the problem. It plays a small part (admittedly an essential one) in the formation of an administrator. The more important ingredient which is planned experience can be provided only to the generalist administrators whose qualifications and duties do not restrict too narrowly their mobility from one type of job to another.

In discussing the whole question, there is a natural tendency to think in terms of two clearly defined categories, the generalist and the specialist, and to regard them as mutually exclusive alternatives for the staffing of an organization, to think in terms of "on top" and "on tap". It is doubtful whether an examination of the staffing question which confines itself to discussing it in terms of two categories and two alternatives can be very realistic. Government consists of a number of different categories of persons and it would be relevant to consider some of the important distinguishing characteristics of the different groups of people. This examination can be done with reference to the following factors: (*a*) Specialized qualifications, (*b*) Application of precise laws to decisions, (*c*) Job changeability, (*d*) Co-ordinative skills, and (*e*) Contact with the public.

Broadly speaking it is possible to identify five categories of people in an organization.

In the first group would come such people as research scientists, soil chemists and other laboratory workers. An important characteristic of members of this group is the possession of very highly specialized qualifications. The more highly specialized their qualifications the better the scientists they are likely to be and, therefore, the more valuable to the organization. Their work involves the use and application of extremely precise scientific laws and the recognition of clear casual relationships. Their functions permit no job changeability. Their area of work is more or less rigidly defined by their qualifications and lateral movement from one type of job to another is not possible. Their work involves no co-ordinative or administrative skills and does not bring them into direct contact with the public at any stage. A member of this group may be designated as a pure expert.

In the second category would fall a group of people whose functions though predominantly technical are not so exclusively concerned with science itself as with its application to administrative problems.

This would include doctors, engineers, agronomists, architects, statisticians and so forth. The science they deal with is as precise as that which the pure experts have to deal but the field of decision-making is large and not so isolated from the impact of administrative policy as that of the first group. In their field, also, causal relationship are clear and fairly easily identifiable. Their job changeability is highly restricted (a gynaecologist cannot change to specialization in heart diseases) and their co-ordinative and administrative responsibilities extremely limited. Administrative responsibilities would arise only in certain limited circumstances for instance when a doctor is placed as administrative in charge of a hospital or an engineer in charge of his department. These situations arise fairly late in the career of this group of people and their earlier experience does not in any way prepare them for such functions. Public contact in their case is not an essential ingredient of their job and the reactions of the public do not in any substantial measure influence their decisions. A doctor for instance would decide the appropriate treatment for a patient with reference to certain scientific criteria and not with reference to the patient's preferences. There are many similarities between this category and the preceding one, but certain significant changes are noticeable. There is a somewhat less exclusive preoccupation with the purely scientific basis of decisions, which now begin to concern themselves with people and their preferences, albeit in a somewhat remote and indirect way. To distinguish them from the pure experts, these people can be called technologists.

In the third category would come people, such as financial and economic experts, trade experts, industrial managers and so forth. In their case, specialized qualifications no longer occupy quite the same important place that they do for the preceding two categories. The knowledge required for the type of decisions they take is often acquired in a course of training given to them after appointment or through particular types of experience. The typical example of this category are the recruits of the French Ecole Nationale d'Administration who dominate the ministries of Finance and Economic Affairs. There is also a significant difference in degree of precision of the laws and principles applied by them to decisions. Economic laws in general, are not as exact as physical or chemical laws; causal relationships are not as predictable. One begins to enter the realm of probability and decisions cannot be isolated from the reactions of people affected by them. The area of job changeability is wider. The financial and economic expert can move from industrial regulation to international trade to credit control without seriously impairing his efficiency. The industrial manager can move from management of a

machine tool plant to the management of a fertilizer factory. In fact, this mobility is a phenomenon that is securing increasing recognition in a country as devoted to the cult of the expert as America:

> "An often voiced feeling is that a good high-level executive can take his talents from one industry to another, so that his most useful knowledge is not specific to an industry. As one comes nearer the top, specialized knowledge is not only less useful but even may label one as 'parochial'. Near the top the management talents required become more alike from industry to industry. More important than special knowledge is the need felt today for men who can grasp the whole situation, men who can co-ordinate, who can seize opportunities, who can get results from other people".[8]

Another significant difference is that the type of decisions this group is faced with cannot be taken without an appreciation of their impact on a large number of different though related skills and they, therefore, require to some extent an ability to perceive the interconnection between their work and that of others and the ability to take a co-ordinated view. Co-ordinative skills, therefore, come to assume greater importance in their case than in the case of the preceding two categories.

These decisions are also governed to some degree by the reaction of those affected by them. They cannot ignore the element of acceptability to the public or human response in same way as decisions taken by pure experts or by technologists can. Decisions on international trade or decisions on economic regulation have to take account of political factors as much as of economic feasibility. A decision that is technically perfect may not be the best decision, and good decisions will often be second or third best from the purely technical standpoint. An appropriate designation for this group of persons is technocrats. The technocrat has, therefore, to be a person whose training and experience develops in him not only the particular technical expertise required in his field but also an awareness of the political repercussions of proposed courses of action.

In the fourth category come such people as deal with issues of social welfare, labour problems, rehabilitation, law and order, education, health administration and so forth. In their case there is no requirement of any particular specialized qualification. A minimum level of education may well be required but no particular area of

[8] Vance Packard, *The Pyramid Climbers*, London, Longmans, Green & Co, 1963.

knowledge is preferred. There are hardly any precise scientific laws which can be applied to their decisions. Nothing can indicate to them with any certainty which decision will produce better education or better social welfare or better labour relations. Decisions are taken increasingly on the basis of general judgment and an understanding of what is desirable and practicable. This understanding can vary from one person to another and it is difficult for anyone to say categorically whose understanding is better. An important element in this understanding is an assessment of the reaction to a decision of those affected by it. Indeed quite often this may be the most important if not the sole criterion of decision. In such a situation even the laws of probability have an extremely limited application.

For people in this category, job mobility is high. A person may carry with him his co-ordinative skills and his judgment of public reactions to any field where these are the most important ingredients in a decision and lose nothing in his efficiency. Knowledge of subject-matter becomes noticeably less important than in other fields. People in this category can appropriately be described as Civil Administrators.

Finally, there is the group of pure amateurs, persons who require no special qualifications to perform their duties, who do not consciously apply any laws to the decisions they take, whose job changeability is practically infinite and whose public contact is random. The only type of people in an organization who fall into this category are those concerned with the performance of routine jobs, peons, messengers, watchmen and so on.

Each of the categories discussed above has a particular role in the organization. Government performs a number of different functions and the real question is which functions should be assigned to which group of people. It really is a question of matching a man's training and experience to the requirements of particular jobs and not so much of assigning the top role to the top group, especially since there are no criteria to determine which is the top group.

The making of policy is a function which involves the co-ordination of a wide variety of areas of knowledge. It embraces not only considerations of technical feasibility but also of public impact, political ideology and parliamentary defensibility. In this gamut of factors that influence decisions, technical considerations can rarely be allowed to predominate. In fact, in a democratic system of government the policy maker has frequently to sacrifice technical perfection to political acceptability to judge the technical ingredients of a decision against a

wider background and to choose alternatives which give due weightage to essentially democratic criteria.

This is a process which occurs not only at the top level of an organization but all levels. The dichotomy between policy making and policy implementation has long since been discarded and it is now recognized that most administrative decisions have an impact on policy and help to shape it. There is rarely anything which is a purely technical decision. Organizational decisions have to be taken by people whose training and experience prevent the development of a single-minded commitment to any one ingredient in decision making and instead develops the ability to perceive a wide range of relevant considerations and the assignment of the appropriate degree of importance to each in accordance with the criteria of public acceptability and defensibility. A policy, which places technical factors above these other criteria, contains within it the seeds of arbitrariness and may result in the imposition of one person's perception of good over the common good.

The ability to place the common good above technical excellence, the ability to perceive the wider implications of a decision, the ability to coordinate and bring together the diverse elements which together influence decisions and policy are products of experience and not of training alone. In fact, as mentioned earlier, training plays a very small part in the development of these skills. These skills can be acquired only through a series of properly planned experiences of an appropriately diverse character. One of the essential elements in this gamut of experience would be experience of field administration in which the administrator would have to coordinate a wide variety of factors in implementing a programme and in which he would have to take public acceptability into account while carrying out policy. In India experience of district administration would, therefore, be an extremely important ingredient in the development of those responsible for the formulation of policy.

The basic feature of the training and career pattern of an expert is that it does not permit this type of experience to be built into his career. To the extent that an effort can be made to diversify his experience in this way, the expert is being wasted and the benefit of this expertise lost to the organization. Few organizations can afford the somewhat wasteful luxury of recruiting and developing experts and then just as they approach the stage of maximum effectiveness, diverting them to fields where their commitment to their expertise is not only of secondary importance but may even be a handicap.

It may, therefore, be argued that the assignment of policy-making functions to the generalist is justified not on the basis of claims to intrinsic superiority (claims which are as inappropriate as they are untrue) but on the basis of matching job requirements with previous experience. It is important to think in terms of assignment of functions rather than of status factors. Insofar as differential status is a consequence of differential monetary rewards, it may be criticized. Insofar as it is a consequence of decision-making powers, it has to be accepted.

In India today we have the basis of a system which increasingly is being recognized as indispensable for the proper functioning of a democratic government. Admiration is often expressed for the American system of government which elevates the specialists to a high level and barely recognizes the existence of the generalists as a distinct class of people. But there also the limitations of the system are coming to be recognized:

> "The personnel system of the U.S. Government does not recognize the need for an administrative service. Under its rule of civil service classification, there is no arrangement for a corps of generalists to deal with major issues of policy. . . .
>
> "In the absence of such a group of trained administrators there is a dangerous element of irresponsibility built into the central structure of the executive branch. This is one of the strongest criticisms of the American system of government. The various specialized units of the executive departments charge ahead, each in its own way, with the tremendous energy impelled by the administrative and political drive of the private interests most directly concerned with their programmes. High above them the President and his political family do their best to find out what they are doing, to guide and control them, and to be responsible to the people and to the Congress for their policies and their administration. But the job of the political executive is impossible unless it is supported by an organized system of professional administration. For the lack of such a system, the control of responsible political executives over the whole government machine is often more than a constitutional fiction. We have a high speed machine but we do not know where it is going."[3]

[3] Don K. Price, *Government and Science. Their Dynamic Relation in American Democracy*, New York, New York University Press, 1955.

While our system succeeds in avoiding the dangers of administration by the expert, this does not automatically ensure that it has all the virtues of a system of generalist administration. It has been said that India is a country where the generalist system has gone berserk and it is relevant to consider why this comment has been made. Perhaps the single most important reason is the extremely wide area over which the generalist can be and often is transferred, the fact that the subject-matter contents of two successive jobs that an administrator does have little or no relation to each other. The recognition of the existence of and importance of the professional skill of the administrator should not automatically lead to the element of subject-matter knowledge being ignored, just as subject-matter expertise should not be elevated to a point where administrative skill is ignored.

The problem then is to achieve a proper balance between the two factors and the essence of the generalist system is that while it does not ignore subject-matter knowledge it quite definitely gives pride of place to professional administrative skill.

To meet the demands that will be placed on the administrative machinery in the future, there is perhaps a need to restrict the area of transferability of the generalist in India, to group together areas of subject-matter knowledge on the basis of their inter-relationship and the similarity of their area of administration. This would also involve the allocation of the generalist at some stage of his career to one of the subject-matter groups, and the restriction of his transferability to that area except in a few exceptional cases. It is important that this allocation of administrative groups should not be done too early in his career. For the first twelve to fifteen years of his career he should range widely from one type of job to another. He must have experience of field administration where both his coordinative responsibilities and his public contacts play a major part determining his success. It is only as he gains administrative expertise and breadth of experience that the process of narrowing down his field of movement should begin. As he approaches the middle of his career, the area in which he is to administer should be determined with reference to his aptitudes and his preferences. Thereafter his assignments should by and large be restricted to this area and the tenure of each post increased as he progresses up the ladder. Perhaps at the very top of each administrative group mobility has again to be fairly free since at that level there is a certain universality in the qualities of judgment required to make and implement policy.

A generalist system operated on these lines would require a positive career plan for the administrator. For the first ten to twelve years of

his service it would define the type of experience that he must undergo. For the subsequent years of his service it would be necessary to determine the subject matter group to which he would be allocated. This type of a plan would have to stop short of planning his career right up to the very last stage of his service since, as I have explained earlier, at that stage flexibility is essential.

It is difficult to say precisely which of the five categories described earlier in this article could most appropriately be used to describe the type of person. The term "technocrat" is closest to it but as often used it carries certain implications which are absent or should be absent in the type of generalist discussed in this article. It has been said that:

> "The technocrat is likely to believe...that it is technological achievements which will make the 'good society' possible....In the technocratic theory progress can be achieved only by the 'depoliticization' of problems. The technocratic outlook (however) gives little guidance except in broad terms where there is a choice between different ends....With the growth of planning and its extension to the social sphere, it becomes increasingly important that those decisions which are not purely technical but relate to the choice of ends, should be clearly identified and means found whereby the citizen can have some influence on them ....It is hard to see, however, how this can be effective. Much of the success of the planning system (and of French government generally) has been due to its 'depoliticization'. 'Democratization' may solve certain political problems while creating new economic and administrative problems. In the last resort, of course, it is a question of whether one believes in liberal democracy (even if people choose to live in an 'uncivilized' society) or if one prefers the rule of philosopher kings."[4]

It is because of there implications that there is hesitation to describe the generalist system in India, as a technocracy. In India there is no depoliticization of administrative problems nor is it a goal for which we strive. But, perhaps, labels are unimportant. If we can develop the right type of professional administrative expertise and define the area of subject-matter specialization, it does not matter what term we use to describe the end product.

[4] F. F. Ridley, "French Technocracy and Comparative Government", *Political Studies* (U.K.), Vol. XIV, February 1966.

The role of the generalist has come to be questioned in recent years for a variety of reasons. Perhaps the two most important are first, his apparent lack of any professional expertise in a world where professionals are emerging in every field of activity; and second, the increasing use of science to achieve social goals. As regards the first of these factors it has been tried in this article to define the area of professionalization of the administrator and to show how it is quite distinct from other fields of activity. As regards the second it can be said that in a world where science is playing an increasing part in administrative decisions what you want is not scientists who are administrators but administrators who have a deeper appreciation of the role of science in society. The administrator has to be given some induction into scientific methods and in particular into the scientific content of the work of the organization with which he is associated. He must be able to understand the language of the scientist. He does not have to speak it.

At the heart of the concept of specialization is the fragmentation of issues, the dissection of a problem into its many component parts and the detailed study of each of these parts. When the rapid advance of scientific knowledge is emphasising this process of fragmentation as an essential precursor to proper study of a problem, it becomes even more important for the organization to contain within it people whose particular skills lie in their ability to synthesise the views and findings of the experts and to decide on the relative importance of conflicting claims. The administration of the technological society of the future is going to require more than anything else the professionalized generalist administrator. It is important, therefore, that the growing recognition of the importance of scientists and technologists in government and the need for rapid economic development does not lead to the replacement of the generalist by the specialist in the field of policy-making. Change is admittedly necessary but it has to be change that increases the professionalization of the generalist along clearly defined lines. It should not be change which radically alters an administrative system that already matches the essential needs of democratic government.

DEVELOPMENTAL ADMINISTRATION UNDER PANCHAYATI RAJ: THE RAJASTHAN EXPERIENCE

*Iqbal Narain**

THE concept of developmental administration under panchayati raj (PR) is a dynamic and not a static concept. Its scope is fast changing. It may be recalled here that there are already institutional and informal pressures for bringing in revenue and law and order functionaries within the orbit of PR administration in which the villagers are much more interested than what normally goes under developmental administration.[1] It may, however, be argued that the time is not yet ripe for such a transfer. This digression apart, when one talks about developmental administration, the obvious implication is that there are also areas of non-developmental administration. It may be difficult and perhaps also undesirable to make too much of this distinction. The line of demarcation between developmental and non-developmental administration is rather thin in the psychology of the rural people and, in fact, the distinction is already in the melting pot.[2] Paradoxically enough, it is the non-developmental administration that impinges upon their interest more closely at least from a short-term

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[1] During the course of author's tours in various districts of Rajasthan as member of the Study Team on *Panchayati Raj* in Rajasthan (popularly known as the Sadiq Ali Study Team after the name of its Chairman and henceforth cited as such) this trend was apparent at more places than one. A veteran Congress worker and a M.P. from Rajasthan in his evidence before the Sadiq Ali Committee held the view that there should either be complete democratic decentralization or no decentralization. And his image of complete democratic decentralization demanded that revenue administration should be transferred to PR institutions. Some of the non-official members of the Team were also inclined to take this view. (Interviews referred to in the article, unless otherwise identified, were conducted by the author as member of the Sadiq Ali Team.)

[2] The recent example of the abolition of the office of B.D.O. in Madhya Pradesh in favour of S.D.O.'s (a revenue and law and order functionary) is an example in point. In a meeting of the chairmen of standing committees (Bikaner district) the opinion was expressed that S.D.O.-cum-B.D.O. might import prestige to PR institutions. The suggestion was also endorsed by some collectors whom the author interviewed. In author's tours of Andhra he found President of the panchayats complaining that there was lack of co-ordination at the panchayat level because developmental and revenue and law and order agencies were separate from each other.

angle than the developmental administration. Thus the sarpanch and panchas and even villagers would like the panchayat to be an all-purpose institution, solving their revenue and law and order problems, besides catering to their developmental needs. They, in fact, tend to lose interest in panchayat as a developmental institution when they are told that it is to be treated exclusively as a developmental agency.[3] Moreover, administration is to be viewed as an organic unity and as such the developmental dimensions of administration do overleap the so-called non-developmental areas. In fact, functionaries, like the collector in a district, have a dual personality—one that of a developmental administrator and another that of non-developmental administrator. It is in the process of the fulfilment of the dual roles that the developmental and the non-developmental aspects of administration get mixed up quite often to the advantage of both.[4] It may also be argued here that perhaps the greatest challenge to developmental administration under PR emanates from the fact that it has to co-exist with non-developmental administration and has to cope with the psychological overtones and repercussions that follow in its wake. For example, a R.A.S. (Rajasthan Administrative Service) officer as Block Developmental Officer (henceforth cited as BDO) compares himself with his counterpart working as Sub-Divisional Officer (henceforth referred to as SDO) and regrets the second fiddle that he has to play, and that also rather anonymously, behind his non-official boss—the pradhan.[5]

[3] It may be worthwhile to mention in this connection that the meetings of the panchayats that the author attended also confirmed the impression that the panchayats were pre-dominantly interested in transacting administrative business. Panchayat secretaries of the Bikaner district openly confessed that panchayats tended to be administrative rather than developmental agencies.

It is against this background that the persistent demand of the non-official PR leaders at all levels to bring in *tehsildar* and *patwari* in one capacity or the other under the aegies of the PR institutions becomes both understandable and significant. Even one of the senior officers of the development department in his evidence favoured drawing in of *patwari* in the main stream of development programme, when he pleaded for treating *panchayat* to be a multi-purpose agency at the village level. Sadiq Ali Committee Report also made a plea for the need of better co-ordination between developmental and non-developmental dimensions of administration when it recommended: "Co-ordination with PR institutions in respect of other departments whose activities or schemes have not been transferred is also essential. This role will have to be discharged by the collector at the district level. The linkage of the sub-divisional officer and the collector as *ex-officio* members of the panchayat samiti (PS) and the zila parishad (ZP) respectively should help the process of co-ordination specially in respect of revenue and police matters. It was also suggested in this context that the transfer of the revenue collection agency to the PR institutions may serve as one of the media of co-ordination, besides making PR Institutions more effective and respectable in the eyes of the people". (*Report of the Study Team on Panchayati Raj*, 1964, Panchayat and Development Department, Government of Rajasthan, p. 216.)

[4] *It is on the basis of this argument that the continued association of the collector with PR institutions was justified when some of the non-official members of the Sadiq Ali Team pressed for the discontinuation of this association.

[5] It is interesting to note that the Rajasthan Administrative Service itself appears to have fallen in the scale of aspirational level of youngmen because it would involve their

It may also be worthwhile to point out that the scope of developmental administration under PR even today is fairly vast. It covers aspects of developmental administration at state, district and block levels and also below them. One can, therefore, at best discuss only the more important aspects of developmental administration in regard to these various levels. It may also be noted here that the different levels of developmental administration under PR indicated here form an integrated whole, establishing a system of chain reaction and inter-actions. It would thus be obvious that no level can be studied in isolation from the other. As a corollary to this if there is any administrative loophole or lacuna anywhere in the apparatus or if there is any weak link in terms of functionaries or pattern of supervision and control, the whole system is affected. If, for example, the District Level Officers (henceforth cited as DLO) do not take their technical obligations seriously, the role performance of Extension Officers (hereafter EOs) at the block level and of the Village Level Worker (VLW) at the panchayat level also gets affected. Similarly, the problems of adjustment between the BDOs and the DLOs on the one hand and the BDO and the EOs on the other affect the system of block administration.

II

KEY-NOTES

It may be useful to identify at the outset the more important key-notes of developmental administration under PR before one plunges into discussing its more important facets at different levels.

Firstly, the developmental administration under PR almost at all levels, the variations in the intensity of the situations apart, faces the dilemma of politics demoralizing and, sometimes, even infecting administration. It may be pointed out here that politics and democracy go together and, therefore, this dilemma can be taken as inherent in the very process of democratic decentralization. It is not peculiar to PR administration because the same dilemma is to be faced by

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working as BDO. This was the impression that the author gathered on the basis of his informal that with several batches of post-graduate students belonging to the social sciences departments in Rajasthan University. This again, was the impression that the in-service R.A.S. trainees gave to the author in his informal talks with them. One of the Collectors, in his interview with the Sadiq Ali Committee, was of the opinion that the BDO's preferred to be SDO's because they resented dual control of the block administration. Now the Rajasthan government has decided to withdraw the state cadre civil servants from the pool of BDO's and the office has thus been devalued, as it will now be occupied by one of the Extension Officers (preferably EO Agriculture)- who is lower in the official hierarchy.

administration at national and state levels. However, the impact of politics on administration in the wake of democratic decentralization becomes more serious because conventions rationalizing the role of politics at the rural local levels are not yet well established and the price of political interference at times is to be paid in terms of development. It may be emphasized here that development administration under PR will have to learn to co-exist with politics which can be rationalized and thereby made sober but cannot be banished altogether. For to expect to banish politics is to wish to outlaw democracy. It may also be added that the democratic process has the potentiality to serve as its own corrective. History abounds in instances when equilibrium has been reached between pressures of politics and pre-requisites of a sound administration in the wake of democratic process itself in which people realized the need of such an equilibrium and also learnt its technique through the essentially democratic process of trial, error and correction. In fact, the pattern of relationship between officials and non-officials is not so unsteady now as it was at the time of inception of PR and this may be taken as an earnest of the ultimate state of equilibrium. This should, of course, not make leaders, administrators and the people complacent in a developing country where the danger of the period of transition lengthening and weakening the chances of equilibrium cannot be ignored.

Secondly, administration under PR almost at all levels, again differences of degree apart, can be called a case of *alienated* and *split* administration. It is a case of *alienated administration* because the departments and the functionaries whose powers have been transferred to non-officials under PR have developed an injured psychology born of a sense of loss of power, authority and prestige.* This in turn has engendered a sort of built-in-resistance in the departments and official functionaries to adjust with the change and to own their responsibilities and obligations under the new set-up, which has naturally affected their own performance. It is a case of *split administration* because the authors of PR legislation, at least in Rajasthan, appear to have been in a double mind and working, as it were, under a self-negating psychology. They were divided between trust of the grass-roots people and a feeling that they may fail to rise to the occasion. Thus they decided to hedge the principle of decentralization of power

* Commenting upon the Rajasthan situation, the Minister for Community Development and Co-operation confessed with regret that the technical departments had mental reservations in owning PR institutions. According to him "Each department behaved like a super Indian State, with their office staff doling out patronage!" The Minister added that it was, therefore, understandable that they should feel unhappy over the programme.

with safeguards.[7] At times safeguards have been provided for in a manner as to confuse the line of command and responsibility which is not always straight and clear and, as such, the principle of unity of command and responsibility which is basic to any system of administration has not always been adhered to. It should, therefore, not be surprising that developmental administration under PR is in part bureaucratic and in part democratic and the one, more often than not, poses as a rival to the other, all the more because the distinction between policy formulation and policy implementation levels is not always upheld in the scheme of PR. Thus administration has at times tended to develop a split personality. The split is deepened with the addition of a dual control in terms of technical and administrative control to the already intriguing problem of political control. For example, the EOs have to be left under the technical control of the departments and the administrative control of the BDO. This duality of control, in spite of its theoretical rationale, has not always had healthy administrative consequences, which become all the more baffling when the mystique of political control proves outwitting for both the other types of control.[8]

Thirdly, as a logical corollary of the *alienated* and *split* character of developmental administration, the institutional and administrative behaviour has tended to be competitively bi-modal—more atomistic than integral, more *against* than *pro* something, more *negative* than *positive*. *This versus that* has at times appeared to be emerging as the political idiom of PR. And thus one talks about *panchayat Vs. gram sabha*, *panchayats Vs.* the co-operatives, the co-operative societies *Vs.* the *Mahajan*, the *sarpanch Vs. panchas*, *panchayats Vs.* the *nyaya panchayats*, the *sarpanch Vs.* the *nyaya panch*, *M.L.A. Vs. pradhan*, *pradhan Vs.* BDO, BDO *Vs.* DLO, *pradhan Vs.* EOs, BDO *Vs.* EOs, *Zila Parishad Vs. Collector*, technical department *Vs.* development

[7] One of the Collectors, in his interview with the Sadiq Ali Committee Team, expressed the opinion that the possibilities of tension and conflict between the BDO and the Pradhan were inherent in the Act as it was designed to work on the principle of checks and balances with the BDO being supposed to be the custodian of the system.

[8] There are different versions of the *ordering* of loyalties on the part of EOs. Each version may be credited with empirical validity in specific contexts, in spite of the subjective bias of each one of the three claimants of the loyalty of EOs, these being the DLOs as representatives of the technical departments, BDO as the authority exercising administrative control and the pradhan as the non official political boss. In fact, each of these three functionaries have their own version to give. The DLOs feel that technical control has suffered because the administrative control is being by passed sometimes in the name of technical control and at others with the help of political patronage and, more often than not, with the use of both. The pradhans feel that EOs do not bother for them; they only care for their administrative and technical bosses. The EOs talk of their pathetic plight as they have to serve three masters.

The author's field experience and study show that, by and large, the political factor has tended to weaken both technical and administrative controls.

department, technical departments *Vs.* PR institutions, developmental administration *Vs.* regulatory administration, and so on. This sort of *competitive bi-modality* is more conducive to a state of administrative stalemate than to the government's becoming "a change agent, a problem solver and an innovator"[9] which at heart is the idea of developmental administration.

Finally (and it is, in fact, a corollary of the foregoing points), the problems of developmental administration under PR are, by and large, problems of human and psychological adjustments between one level of authority and another, between one official functionary and another, and between officials and non-officials on still another. The challenge of developmental administration under PR basically emanates from resistance to change and adjustment to the new set-up and its solution is to be sought in fundamental terms through the medium of attitude orientation with the help of a programme of continuing education and training of both the official and non-official functionaries and, as such, has to be accepted as a drawn out process.[10] In sum, the administrative challenge to PR is essentially psychological and its long term and sound remedies are basically educational.[11]

III

PROBLEM AREAS AT THE STATE LEVEL

One can now turn to identifying the more important problem areas at the State level.

Firstly, as stated earlier also, the technical departments at the State level, having an identity and ego of their own, appear to have got hurt in the wake of transfer of power to PR institutions. Earlier they had been the king-pin of the Community Development (CD)

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[9] M. J. K. Thavaraj: "Development Administration", *Africa Quarterly*, July-September, 1965, Vol. V., No. 2, p. 115.

[10] Though no depth evaluations of the training programmes under the PR set-up are as yet available, the general impression that the author could gather from his visits of the Training Centres along with the Sadiq Ali Team and also as member of the Study Team of Training Programme under *Panchayati Raj* has been that the training programmes do not cater to the need of attitude orientation. The training is mechanically imparted and also equally mechanically received. At times neither the trainers are enthusiastic about imparting training, nor are the trainees interested in receiving it. This applies both to official and non-official trainees. (The Rajasthan government decided to dissolve the committee for the study of training programmes as an economy measure in the wake of the Chinese aggression and so the study could not be completed.)

[11] *Cf.* the observation of Sadiq Ali Committee Report which stated in this regard: "There has not been proper adjustment between officials and non-officials in some cases. There is need for continuous education for improving relationship between official and non-officials". (*op. cit.*, p. 22).

programme which they used to administer unhindered by the non-official agencies, though with the help of a Block Advisory Committee. The BDO then was more a co-ordinator of the activities of various EOs than their controller, the departments being directly responsible for their programmes in the field. With the establishment of PR, however, the technical departments appear to have developed a sort of "hands off" psychology in regard to the PR sector, as if they had no obligations with regard to the schemes that have been transferred to PR institutions. This has had serious repercussions, which at times have manifested themselves in apathy, in others in lack of technical guidance from district level departments and PR units.[12] It is true that some departments have co-operated more than the other and also that these repercussions have been more telling in the initial stages than now. However, the situation, by and large, is not much different even today. At the back of the attitude of technical departments, there had been the feeling that their activities are too technical to admit of any non-official handling, control or interference. Deeper still, at the root of this psychology, there at times appears lurking a feeling of deprivation of authority that had previously belonged to them. It has, however, to be admitted that there has also developed a tendency on the part of the non-officials to lay blame for every mishap in the implementation of programmes at the door of the technical departments. The *vice-versa* is also true, though perhaps to a lesser extent.[13]

As a corollary to the attitude of technical departments there have developed the twin problems of co-ordination and collaboration between one technical department and the other technical departments on the one hand and the technical departments, and the development department on the other. It may not be out of place to mention here that the establishment of a separate development department has been

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[12] For example, it was pointed out by the staff serving at the Gram Sevak Training Centre, Jodhpur that the technical departments did not keep any liaison with the staff that they deputed to the Training Centres and thus they could neither benefit themselves nor the trainees with the results of latest research. In fact, it was said that the staff was treated by the technical departments as "a bunch of discarded fellows".

Similarly, one of the senior officers of the development department submitted as his considered opinion that lack of interest and lack of technical guidance led to the suffering of technical programmes.

[13] The proceedings of one of the meetings of the Jaipur *Zila Parishad* which the author attended offered an interesting case in point. Where agriculture department was in the dock for severe lapses in regard to distribution of seed and manure and recovery of dues for the pre-PR period. The representative of the agriculture department, by way of an explanation, accused the panchayat samiti for accepting seed of poor quality from local sources which would, therefore, get rotten early and easily. The Deputy Development Officer (DDO) as also the pramukh (non-official head of the zila parishad) felt that both the technical departments and the concerned panchayat samiti were at fault and mere shifting of responsibility on each other would be of little avail.

treated by some technical departments as an imposition, as a rival[14] or at any rate, as a minimiser of the developmental role of the technical departments. Even if it is treated as an exaggerated statement, it cannot be denied that sometimes technical departments have tried to shelve their responsibilities on the development department. The creation of a separate development department has at times even given an excuse to some of the technical departments for not attending to their development obligations seriously.[15]

It should also not be ignored that technical departments also work under several handicaps. Their technical advice is not always welcome and is not always heeded also.[16] The zila parishads (ZP) have not succeeded in evolving workable liaison between technical departments and non-official agencies at the block level.[17] Their control over the EOs has also weakened because they now only enjoy technical control, while administrative control has been passed on to the BDO. In spite of these handicaps, the technical departments can still play their role, if they make efforts at psychological adjustment with the new set-up, reconcile themselves with the change and adopt a helpful attitude towards PR institutions whose functionaries should also in turn reciprocate.

Secondly, the development department is in charge of direction, supervision and control of the PR institutions at the State level. The department so far appears to have been motivated by the *psychology of paternalism*, according to which parents would refuse to believe that their children are capable of growing up and acting on their own and in absolute good faith they would try to get and direct them in minutest possible details, blissfully ignorant of the fact that in the process they were perhaps killing the initiative and the sense of responsibility that they would expect to develop in their children. Thus we find the

[14] A typical instance of this was provided when in a meeting of members of Naik Committee on Primary Education and members of the Sadiq Ali Committee, the representatives of the education department and the development department were arguing in the presence of the author as if they belonged to opposite camps.

[15] It is not being suggested here that the development department be abolished. It is, however, necessary to emphasize the need of earmarking areas of activity of both the technical department and the development department in a manner so that both of them may feel equally and directly involved in developmental tasks and behave as partners in a joint partnership concern with an earnest consciousness of equal stakes.

[16] Some representatives of the technical departments categorically made this point with the help of specific illustrations while attending a Middle Management Course of the Officers Training School, Jaipur, when they were commenting upon author's address to them. Similarly, one of the senior officers of the co-operative department openly complained that BDOs did not bother for the Assistant Registrar Co-operatives and his advice.

[17] This was owned by the pramukh himself in a meeting of the Jaipur ZP.

development department prescribing procedural details, issuing directions pertaining to day-to-day activities, sending a plethora of circulars, and, above all, asking for numerous reports—all this being understandable in the context of the concern that the department naturally has for plan priorities and targets and their fulfilment. As a consequence of this, however, the bureaucratic spirit appears to imbue the PR institutions which are being reduced more to miniature offices at the block level than extension agencies at the grass-roots level. Worse still, the mere quantum of circulars, reports, etc., makes the block officials develop the psychology of desk workers[18] on the one hand and a casual attitude to the directions and demands of the development department on the other. It is, therefore, necessary to rationalize the content of supervision and control exercised by the development department.

Another bottleneck of State level supervision and control may also be identified here. The development department quite often finds the political factor inhibiting in good measure the exercise of proper supervision and control. It has to be admitted that the development department cannot help the inter-play of the political factor. It may, however, be added that, leaving apart cases in which the political factor may weaken the possibility of supervision and control (which are few and far between), there is good deal of scope for the development department to be firm in the exercise of supervision and control. One, however, has to guard against the fact that the possibility of the inter-play of political factor may not demoralize the functionaries of the development department to an extent as to make them treat even their obligations in regard to supervision and control rather casually.[19]

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[18] The entire block administration, the VLW, the EOs and even some of the BDOs appeared to smart under the load of the desk work in the several districts of Rajasthan that the author visited. In fact, quite a few of the BDOs appeared to have cultivated an honest belief that they were deemed to be desk workers. The view of the officials serving on the Committee and particularly of the development department had, however, been that the plea of enormous desk work was an excuse to cover their apathy and indifference to their none too convenient field obligations. One of the senior most State level officers, however, conceded in his interview with the Sadiq Ali Committee that the amount of paper work should be reduced. According to him small reports by the EOs and the BDO should be enough. The non-official PR leaders in several districts of Rajasthan also complained to the Sadiq Ali Committee that BDOs, EOs and VLW's were more desk workers than field workers.

[19] This fear should not be dismissed summarily. The author has known cases where a pradhan would challenge the joint development commissioner and say that whatever the results of a departmental enquiry against him he would see that his suspension orders were withdrawn by the state government. This did happen even before the enquiry was formally over, leaving the officer concerned utterly disgusted. One of the Collectors who had faith in PR institutions and who had imported a new dynamism in their working confessed to the author that the real danger to PR institutions emanated from political interference with the pattern of administrative supervision and control. It is against this background that the Sadiq Ali Committee recommended the institution of an independent

IV

PROBLEM AREAS AT THE DISTRICT LEVEL

There are equally important problem areas at the district level, some of which may be identified here.

Firstly, while the non-officials are questioning with vehemence the rationale of the role of collector in the new set-up,[20] the collectors have not always succeeded in cultivating a proper attitude towards PR institutions and a keen sense of obligation towards their responsibility as co-ordinator, supervisor and, more than that, leader administrator[21] at the district level under the PR set-up. The collectors have taken more interest in their traditional roles in regard to revenue and law and order functions. They have perhaps been more interested in development during the CD phase than what they are to-day because they also have harboured, by and large, the bureaucratic contempt for the non-officials at the grass-roots level. Of course, there have been notable exceptions to this rule and they have had a tremendous impact on the successful working of PR institutions in their districts.[22] It cannot be denied that the collector with the halo of traditional prestige and authority around his office can bring to bear both detachment and influence in the fulfilment of his roles as co-ordinator, supervisor and leader administrator. His office is, therefore, to be given a key-role in the developmental apparatus which, of course, the collector has to justify with the help of proper attitude orientation towards his developmental obligations.

Secondly, DLOs have perhaps embodied the sense of injured ego of the technical departments at the district level. It has been uniformly

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Administrative Tribunal to deal with such cases. The fact that the State government does not appear inclined to accept the recommendation only confirms the political overtones of the administrative challenge to PR. (For details of the Administrative Tribunal, *see* Sadiq Ali Committee Report, *op. cit.*, Chapter XVIII, pp. 208-210.)

[20] The argument is that the collector, being primarily a law and order and revenue functionary, has neither the time nor the aptitude for developmental work. It is also said that he has no patience with the non-officials, let alone the question of his showing regard to them. It was, therefore, argued before the Sadiq Ali Committee that the collectors should either become secretaries to the ZP, or yield place to a separate development officer who should also be secretary to the ZP.

[21] This is the impression that the author could form after interviewing several collectors as member of the Sadiq Ali Committee. Again, a depth study of PR in the Jaipur district with which the author has been associated as the Deputy Director of the project has also borne out this view. (For details in this regard, please see: M. V. Mathur, Iqbal Narain, V. M. Sinha and associates, *Panchayati Raj in Rajasthan*, Impex India, New Delhi, 1966, pp. 82-84.)

[22] The reference is to one of the three collectors whose role and attitude has been studied in the depth study of PR in the Jaipur district. (*Ibid.*, p. 83.)

observed that they have been very casual towards their obligations in regard to PR institutions, which they have failed to own, let alone the question of their making an effort at ensuring their success.[23] Perhaps their feeling is that the schemes transferred to PR institutions are no more their own and, as such, they have no sense of responsibility towards their successful implementation.[24] At the most they would behave as inspectors rather than co-workers in a programme and at the worst they would behave as sullen and indifferent onlookers, indulging in paper work and that also mechanically.[25] Of course, they have their own viewpoint. Their argument is that their advice is neither sought for nor heeded to by the non-official agencies at the panchayat samiti level.[26] They also feel that they are not in a position to control the EOs as they would like because it is the BDO who exercises administrative control in regard to technical departments.[27] Even when due allowance is given to these arguments, it can hardly be denied that the DLOs have been rather casual towards their role in PR set-up and in turn the tone of extension serviees has gone down.

PROBLEM AREAS AT BLOCK LEVEL

The block level administration may be called the heart of developmental administration because it is this which constitutes the key agency for implementation of developmental programmes and which

[23] Surprisingly enough the author did not find any one (both among the officials and the non-officials) holding a brief for the DLOs during his tours of several districts of Rajasthan except, of course, the head of the technical departments and DLOs themselves. Even some of the EOs, in spite of their being under the technical supervision of the DLOs, have criticized them, though in muffled undertones. All quarters appear to support the contention of one of the senior officers of the development department who in his evidence had found the DLOs guilty of "adjuring their responsibility and treating programmes under the aegies of PR as somebody else's baby". Even the Sadiq Ali Report reached at the conclusion. "The over-all impression, however, is that the district level officers have not functioned effectively after the introduction of PR and that they have not been able to render useful guidance and assistance in the execution of schemes" (Sadiq Ali Committee Report : *op. cit.*, p. 93). In Andhra also similar complaints were made by the senior State officials before the visiting Sadiq Ali Team.

[24] This has been more true of some departments (like co-operative and education) than that of others. Even some collectors in various districts of Rajasthan have testified to this aspect.

[25] The point was vigorously made and illustrated by the BDOs interviewed at the Orientation Centre, Udaipur (a district in Rajasthan). The same point was made by the non-official PR leaders of Doongarpur (another district of Rajasthan).

[26] Accounting for this DLO (agriculture) in an interview at Jodhpur (a district in Rajasthan) pointed out that the non-officials at the block level were not interested in production programmes and loans were mostly advanced on political considerations and not on grounds of technical competence. This was also the view of DLO (animal husbandry). The view was also shared by one of the collectors, whose experience was that DLOs and EOs would at times find themselves isolated (as also the BDO) with panchayat samitis determined to act according to their lights.

[27] Even one of the BDOs in the Banswara district of Rajasthan opined that DLO's sense of responsibility had got weakened as he was just a technical adviser. The Rajasthan

is also expected to engender a psychology of self-reliance among the rural masses through extension work and by motivating the non-official leaders to become active instruments of modernization and social change. It is, therefore, in the fitness of things to identify here the more important problem areas at this level.

(1) One of the most sensitive areas of block administration is the area of official and non-official relationship.[28] The most baffling relationship in the series is that of the BDO and the pradhan. It may, therefore, be worthwhile to identify the more important issues which are vital to this relationship. First, what makes the problem of relationship between the BDO and the pradhan really baffling is that basically there is a conflict for power and authority between the two functionaries who have tried to show off and at times even to dominate each other unduly. Such issues as the use of jeep, control over the administrative staff of the panchayat samiti and the distribution of funds and benefits, create tension between the two functionaries. Secondly, the tension heightens because the BDO has a dual role. He is at once the chief executive officer of the panchayat samiti and also the caretaker of government rules and regulations. It is true that he can only give a note of dissent or point out irregularities in an order or the decision of the pradhan or the panchayat samiti, though the latter can ultimately act as they like. This, however, does not satisfy the non-officials who expect the BDO to toe their line. If the BDO does not do so, they think that he is violating their authority.[29]

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government has been of late experimenting with the grant of more powers to the DLOs *vis-a-vis* EOs but the results of this experiment are yet to be studied. The DLOs can now inflict minor punishments on the EOs up to two grade increments and transfer them anywhere within the district with the consent of the collector.

[28] An ex-chairman of a municipality belonging to Nagpur district in Rajasthan (who may be taken to represent the voice of the uninvolved) categorically asserted that the sharp divisions between non-officials and officials affected the cause of development and paralysed the system of checks and balances. He complained of bureaucratic rule under PR and made a plea for fuller control by the pradhan. There is an interesting chapter entitled "Relationship" in the Sadiq Ali Committee Team (*op. cit.*, pp. 229-237), which has a close bearing on this problem. This problem is not peculiar to Rajasthan. Similar situation was reported to obtain in some of the panchayat samitis in Andhra which the author visited along with the Sadiq Ali Team.

[29] The non-official leaders whom the Sadiq Ali Committee interviewed in several districts of Rajasthan would instantly demand non-RAS officers and BDOs who, according to them, would be less conscious of their status and, therefore, more amenable to their authority. In fact, the more the differences between the pradhan and the BDOs in a panchayat samiti, the sharper would appear to be the demand for a non-RAS BDO. Didwana *Panchayat Samiti* in Rajasthan perhaps offers one of the several instances in point. One of the collectors interviewed in connection with the Sadiq Ali Committee also expressed the opinion that RAS people had no stake in development work as the non-cadre officers had. The Sadiq Ali Committee Report, however, found the policy basically sound and favoured the retention of RAS as BDOs in the larger interests of plan programmes, developmental administration and democracy. (For detailed discussion please see Sadiq Ali Committee Report : *op. cit.*, pp. 77-80.) In spite of this, the government of Rajasthan has now decided to withdraw RAS officers from the blocks in the name of economy. It

Thirdly, the *Panchayat Samitis and Zila Parishads Act* also does not clearly lay down the line of command and responsibility with regard to relationship of the officials and the non-officials and this at times deepens the tension.[80] Finally, the political pulls and pressures that the non-officials have with the state administration have added a political dimension to the problem of relationship between the officials and the non-officials, who feel so demoralized as to develop a sort of defeatist psychology which is neither conducive to developmental administration in general nor contributes to their role as leader-administrator in particular.[81]

(2) The extension services under PR offer another enigmatic situation. It is true that extension role of these services had receded into the background under PR, though it is difficult to say how much PR itself is responsible for this recession. As already stated elsewhere, if one is to ask the technical departments and the DLOs, they would say that they are not in a position to exercise proper control and supervision over the EOs because the BDOs exercise administrative control over them and the interference of the non-officials also becomes an inhibiting factor. In contrast to this, the EOs feel that they are being reduced to the position of desk workers and, as such, cannot fulfil their extension obligations, all the more because they find it difficult to get jeep, etc., as and when they require. Some of them also feel that they are not getting the requisite guidance from technical departments and above. A section of them even feels that their technical advice is not cared for by the non-officials at the panchayat samiti level. Some of them also complained that they did not receive sufficient help from the non-official leaders and this handicapped their

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is perhaps a case of bad economy because the advantage of developmental orientation that the bureaucracy was thus imbibing would be lost in its wake.

[80] One of the senior officers of the development department referred to this defect as *twilight zone of roles and responsibilities* both in regard to the relationship between the BDO and the pradhan and the BDO and the EOs. He pleaded for a clear definition of roles and responsibilities in regard to both areas of relationship.

[81] This should, however, not be taken to mean that there have been no cases of harmonious relationship between the two functionaries. We have only identified here the factors that create tension and conflict between pradhans and the BDOs. In fact, there have been *patterns* of relationship depending upon the attitude orientation, background, training, skill, political links, and interest of the two functionaries. At times even the time that a pradhan can spare for the job also becomes a factor in the pattern of relationship between the two functionaries. One of the SDOs in one of the Middle Management Courses that the author addressed at the Officers Training School, Jaipur, identified in a rather humorous vein three types of pradhans on the basis of the time that they spared for panchayat samiti work, these being *Quarterly*, *Monthly*, and *Daily*. According to him the "*Daily Pradhan*" could be most troublesome. It is also interesting to recall that the Sadiq Ali Committee Report also noted that "the tangle of relationship is most pronounced in case of pradhan and vikas adhikari in panchayat samitis. Confidential enquiries by the Study Team revealed that the extent of unhappy relations was 6 per cent by collector's assessment and 11 per cent by pramukh's assessment" (*op. cit.*, p. 276).

role.[32] The BDO had a different story to tell. His main grievance is that politicalization of extension services has taken place in the wake of PR and this has resulted in a sort of conflict of loyalties.[33] For all practical purposes the EOs are working under a sort of triachical control—the technical control of the departments, the administrative control of the BDO and the political control of the non-officials,[34] quite a few of them are inclined to take note of only the political control and ignore or, at any rate, take lightly the other two mediae of control.[35] All these three versions contain partial truths but none gives the whole truth. All these factors have contributed their bit to the weakening of the extension services under PR and this is neither conducive to developmental programmes in general nor to the extension approach of CD which the PR institutions are expected to adopt and further, if they are to succeed in creating a self-helping rural community. One of the serious consequences is that EOs do not feel inspired to take initiative to serve as feed-back agents and take local problems and experience to the DLOs and technical departments for analysis, guidance and mutually rewarding exchange of views.[36] To get the whole truth, however, it has also to be added that the EOs are not always competent to deliver the goods.[37] They are bookish in their knowledge and approach and lack in practical experience[38] and

[32] For example, the EOs belonging to Jayal Panchayat Samiti openly complained that they were handicapped because the sarpanch who was the main contact man at the village level was too busy to spare time for developmental works. The same complaint was made by the DLOs of the Udaipur district in Rajasthan.

[33] The BDOs in a meeting at Jodhpur (a district in Rajasthan) openly complained that EOs were apathetic to administrative control under the cover of technical control which is, in fact, more nominal than real, with DLOs indifferent and the technical department none too eager to supervise, guide and control. Similarly, BDOs who were interviewed at the orientation centre Udaipur openly alleged that EOs would participate in politics, ignore the BDOs and manipulate the DLOs. Such examples can be multiplied.

[34] In a meeting of Didwana Panchayat Samiti in Rajasthan this point was rather sharply made.

[35] One of the collectors categorically asserted that the EOs in league with the pradhan would tend to by-pass both the BDO and DLOs who would thus be incapacitated by sheer isolation. BDOs of the Bikaner district in their meeting with the Sadiq Ali Team also complained that EOs developed direct links with the pradhan, while a lady pradhan of the same district alleged that the BDO in league with the EOs tended to isolate her.

[36] For example, one of the EOs whom the author interviewed in one of the panchayat samitis in Jodhpur along with the Sadiq Ali Team told that the prescribed kind of bull (Punjab breed) did not suit local conditions and still he did not object as the technical department had prescribed it. The EOs belonging to another panchayat samiti (Jayal) also confessed that they did not communicate field problems to the technical departments for guidance. Their reason for not doing so was absence of response from technical departments, as it happened in the case of soil samples which they had sent for investigation and guidance.

[37] One of the senior most officials at the state level categorically asserted, "Extension Officers were not really competent men. They knew about American soil more than the Rajasthan soil."

[38] One of the technical heads of the department admitted that experienced persons could command enough pressure (both political and administrative) and thus could

training, particularly with reference to the surroundings where they have to serve and the situations that they have to tackle. They at times talk in an idiom which is not helpful in establishing communication between them and the peasantry.[39] The field tours in their case are few and far between with hardly any night halts.[40]

(3) The VLW, the proverbial multi-purpose man (who is now sometimes described as 90 per cent agricultural man and at others as 100 per cent agricultural man) and who has been hallowed as the king-pin of the development programme both under CD and PR is perhaps the weakest link in the chain of functionaries. Even when he is made on paper a 100 per cent agricultural man, his multi-purpose obligations continue. A number of informal roles are assigned to him because he is the contact man at the village level for all sorts of developmental and other works.[41] His jurisdiction still continues to be wide and his obligations manifold, for which he does not have the mental equipment, educational background, and adequate training.[42] It should, therefore, not be surprising if he fails to carry conviction to the villagers. Quite a few of the VLWs also appear to have got involved in village politics and as such do not bother for their extension role.[43] The VLWs have their own explanation. They feel that they have been made a beast of burden because not merely they have to carry on their own work load, but the EOs also pass on their responsibility to

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manage not to go to the field as EOs. By and large thus only freshers could be sent to work as EOs.

[39] In a meeting of the Jodhpur *Zila Parishad* this point was particularly emphasized.

[40] In a meeting of one of the panchayat samitis (Gadhi) in Rajasthan it was openly alleged that tours by the EOs, by and large, and night halts in most cases was just paper work. The same complaint was openly made by the Deputy Development Officer (DDO) in a meeting of the Jaipur ZP which the author happened to attend. The DDO pointed out that the night halts were made not in village but in capital towns like Jaipur.

[41] In a meeting with the VLWs at Jodhpur it was pointed out by the VLWs that they had at times even to distribute "dak" in their area.

[42] Some VLWs when interviewed by the author at the Gram Sevak Training Centre, Jodhpur, were of the opinion that the gap between their theoretical knowledge and the problems in the field affected their performance. They made an earnest plea for greater field orientation to their training programme which was also corroborated in the interview with the Principal of the Centre and the staff serving there. The Principal wanted a farm to be attached to each training centre. The VLWs belonging to the Didwana Panchayat Samiti also seemed to feel that statistics was considered more important than practical work.

[43] Majority of the trainees (which included 9 members of the nyaya panchayat and 29 panchayat secretaries) who were interviewed at Adhyan Kendra (Training Centre), Jodhpur, complained that the VLW did not visit villagers but only met the sarpanch and the panchas. The bias of panchayat secretaries who treat the VLW as their rivals may be a factor in this allegation which, however, cannot be dismissed altogether as it has been made out in other official and non-official quarters also. For example, it was complained by some of the chairmen of Standing Committees in the Nabha Panchayat Samiti (Bikaner district) that the VLW behaved as a new *jagirdar*, though every chairman did not appear to uphold this verdict.

them, while they do not give the guidance that they expect from them. They at times also do not get co-operation from the non-official leaders.[44] Finally, they find themselves in a blind alley in view of the very limited promotional avenues being available to them.[45] By and large, thus, in the VLW one finds a functionary who is over-worked but perhaps not as much as he makes it out to be, who is no doubt doing his small bit as a developmental functionary which is much below than the formal and informal roles assigned to him, who is called upon to bear missionary zeal in his outlook and work without proper material incentives for it and, who, altogether, has become a typical embodiment of crisis of expectations both at the individual and institutional levels.

(4) Another intriguing problem of block level administration is that benefits are not being equitably distributed and there is a lot of misuse of funds. It is common knowledge that sections who belong to the higher strata of rural society have captured power and they are trying to monopolize the benefits. What is worse is that there are cases of misuse of funds in quite a few cases by way of technical irregularities which are due to ignorance and, in some cases only, in the nature of serious irregularities like embezzlement, etc. What, however, worries one the most is the *political misuse of funds* in which a majority group tries to deprive the minority group of benefits in a spirit of deliberate discrimination and at times in the vein of calculated persecution of minority groups. The result is that panchayat samitis get divided between dominating and the minority groups and there

[44] Accounting for this quite a few of the VLWs pointed out in a meeting at Jodhpur that the non-official leaders (panchas and sarpanchas) were not always interested in production programmes and did not also have proper orientation for co-operation in the use of extension methods, as they had been used to coercion rather than persuasion. Similarly, the VLWs belonging to Jayal Panchayat Samiti confessed that they could no more act as motivation agent as panchayats had weakened their hold, which themselves were not drawn to development work. The VLWs belonging to the Didwana Panchayat Samiti, however, felt that, though the panchayats were not interested in production work, the co-operation of ward panchas in extension work was a positive advantage accruing from PR. The VLWs belonging to the Bikaner district complained that the influence of the VLWs was being replaced by that of panchas and sarpanchas who were not interested in production programmes and, therefore, the extension work tended to suffer. The VLWs belonging to Jayal Panchayat Samiti would agree that at times the situation would approximate to panchayat *Vs.* VLWs; but according to them the basic factor that handicapped extension work was the poverty of the people. The VLWs belonging to Sagwara Panchayat Samiti in their interview with the Sadiq Ali Committee also complained that sarpanchas would not treat themselves as co-workers with the VLWs, nor would they go with them to the villagers. They would pose as inspectors and would be content with merely criticizing the VLWs.

[45] It may, however, be recalled that Rajasthan government has provided for in-service promotions. According to the figures given to the author by the development department, two *Gram Sevaks* have been promoted as BDOs and eighty as EOs. In spite of this in their meeting at Jodhpur all the VLWs (about fifty in all) complained of poor grades and lack of promotional avenues.

comes about the phenomenon of *political haves* becoming also the *economic haves* and *political have nots* also becoming the *economic have nots*.[46] While this may be taken as somewhat inevitable in the initial stages of the democratic process till healthy conventions rationalizing the situation develop, one cannot ignore the fact that a situation of this type at times has serious repercussions on developmental programmes and their tempo. Of course, such cases may be few and far between and yet their existence and baneful influence cannot be denied. It has been observed that minority groups who have been reduced both to the position of '*political and economic have nots*', not merely become apathetic to their developmental obligations, but they also at times pose obstacles in the path of development in the vein of a harassed person.[47] What is worse still is that the administration also develops partisan overtones.[48] This in turn limits the role of developmental administration as an instrument of change at the block level.

V

TOWARDS THE FUTURE

The foregoing are some of the sensitive problem areas related to the developmental administration under PR. They are being posed here not as objects of panic or pessimism but as challenges to our ingenuity for administrative innovations which can certainly go a long way

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[46] In a meeting of the Jodhpur Zila Parishad it was openly alleged that panchayat samitis would discriminate between panchayats in the dominant group and panchayats in the opposition group, thereby hindering latter's performance and progress. The same point was sharply made by some sarpanchas of the Didwana Panchayat Samiti in their interview with the Sadiq Ali Committee. One of the collectors also confirmed this complaint in his observations before the Sadiq Ali Committee. According to the VLWs belonging to the Jayal Panchayat Samiti, the direct election of the sarpanch divided the village into two halves, out of which the half on the losing side would not co-operate in development programmes. However, an interesting variation came to author's notice in the same panchayat samiti where in a meeting of the sarpanchas in connection with the Sadiq Ali Team it was revealed that there were two evenly matched groups in the panchayat samiti (21 in power and 19 in opposition). There was reported to be no discrimination in the distribution of benefits, both groups were properly represented on the committees, and both co-operated with each other in developmental work. Perhaps evenly matched strength of the two groups was a factor behind the happy state of affairs, though it did not appear to be the only factor.

[47] One of the senior officers of the development department in his evidence before the Sadiq Ali Committee also indentified the other extreme where even offers of equitable treatment and just distribution of benefits from a sarpanch would be opposed by those who had not voted for him.

[48] In some of the panchayat samitis spread over several districts in Rajasthan this charge was openly made. For example, a sarpanch in the Bikaner district openly alleged, "A good sarpanch suffers because a pradhan joins with the BDO". Even a collector observed, "the non-officials would combine with servants in corruption and would attach no sanctity to public opinion". Similarly sarpanchas of Sagwara Panchayat Samiti categorically asserted that factionalism diverted the attention both of officials and non-officials from development work. The panchas of Talwara Panchayat also held the same view. Such examples can be multiplied.

in solving some of these problems, though they alone may not be enough. The rationale of an analysis of this type lies in the fact that it is better to forestall a crisis than to allow it to be precipitated in the proverbial blissful ignorance and sense of complacency or to become wiser after the event. It may be well to remember that the crux of the administrative challenge under PR is the problem of role-equilibrium in regard to officials and non-officials from state level down below and the pattern of inter-and intra-institutional and personnel relationships. It may be argued, and that also with justification, that at the heart of the problem of *role-equilibrium* (which means nothing else but each fulfilling his or her assigned role and not maddling with the role of another functionary) implies balance between craving for power and sense of responsibility. And the development of the attitude of this type may in a way be taken as inherent in the democratic process itself. It is said that democracy is its own school and pours itself into its beings and thus democracy becomes its own critic and corrective. This process already appears to have started in the wake of PR in Rajasthan. The relationship pattern between the officials and the non-officials has begun showing signs of improvement. The developmental bureaucracy at the block level is giving up authoritative overtones and gradually moving in the direction of developmental orientation. The apathy of technical departments and DLOs is also being shaken and, in some cases, even being shed off, though it has not as yet got converted into a positive sense of concern and responsibility. The officials at all levels are getting reconciled to the so-called loss of power to the non-official agencies. The non-officials are also becoming Philip-the-sober from Philip-the-drunk. All these tendencies are pointers in the direction of *role equilibrium* which is basic to the success of PR and which, once again, has to be treated as part and parcel of the democratic politics, in spite of its rather slow, halting and none too obvious growth.

The following administrative innovations may perhaps be helpful in streamlining the developmental administration under PR:

(1) An O & M Cell may be established in the development department at the state level to examine the necessity of various rules and regulations, circulars, reporting proformas and so on with a view to evolving a healthy, balanced, rationalized and yet effective pattern of supervision and control which may not unduly interfere with the extension obligations of the developmental bureaucracy at the block level.

(2) It may also be worthwhile to establish a PR tribunal[49] as suggested by the Sadiq Ali Committee Report to examine the cases against the non-officials so that political considerations may not enter into these decisions and administration, both at the supervisory and block levels, may not get demoralized as a result of the political links of the non-officials.

(3) A clear cut line of command and responsibility should be laid down in the Act making the BDO completely responsible to the pradhan and the pradhan in turn should be held responsible, not merely for the proper use of power but also for the implementation of the developmental programmes.[50] As a corollary to this, the BDO should be completely in control of the panchayat samiti staff.

(4) The technical departments should issue directives and instructions to the DLOs to supervise and guide the EOs earnestly, thereby ensuring that they take their extension obligations seriously. This could be done through a strengthened system of on the spot inspections of some of the scheduled tour programmes of EOs, a copy of which must be made available in advance.

(5) Imaginative perspective planning by the BDO and his staff with adequate data and details of the programme, duly discussed in advance with the DLOs and even technical departments, if necessary, would minimize the impact of politics on the implementation of programmes, serve as a path finder for the non-officials and bring about proper and healthy relationship between the officials and the non-officials.

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[49] Arguing for the need of a panchayati raj tribunal, the Sadiq Ali Committee Report stated: "... the system of control and supervision in case of panchayati raj institutions should be such as may ensure continuity on the one hand and prompt corrective action on the other. The powers of disciplinary control over elected representatives by the government exposes the government to allegations of partiality and also delays action. It would, therefore, be proper if the disciplinary powers and powers of control are exercised by an independent body." *op. cit.*, p. 208.

[50] One of the top public leaders belonging to the Congress (now an important Minister in Rajasthan) categorically asserted that the BDO should be completely subordinated to the pradhan in whose case, in turn, the reins of supervision and control should be tightened from above. Otherwise, as he pointed out, a weak BDO would continue to survive through surrender to the pradhan, the conscientious one to take pride in maladjustments through quarrels with the non-official boss, and the smarter one to enter into an unholy alliance with the political master. And in all these cases development and democracy would suffer.

MANAGEMENT IN CO-OPERATION

P. R. Dubhashi

THE co-operative movement and the scientific management movement have both emerged as movements of worldwide significance. Both took their birth in the West by about the middle of the 19th century, gathered momentum during the second half of the 19th century and on into the 20th century and spread from the developed to the developing countries till they enveloped almost every part of the world. Both the movements have a certain universality in their coverage. Thus while the co-operative movement in Britain had its origin in consumer business, in Germany it grew in the agricultural sector and between themselves the two streams of the co-operative movement covered the myriad phases of economic life, such as supply of credit, farming, marketing, processing, manufacturing, insurance, dairying, fishery, housing, labour, construction and production. Principles of management also found their application in every part of business including trade, commerce and industry and every type of organization, small or large, partnership or joint-stock. And it is recently being realized that the management principles are not merely confined to the private sector, though originally they grew with it; they are applicable to the public and co-operative sectors also.

In spite of the universal character of these two movements, they seem to have had very little meeting ground at least in the earlier phases of their evolution. One may speculate about the variety of reasons for this mutual isolation. A profound chasm between the two can possibly be traced to the great difference in their historical mission. While the scientific management movement sought to strengthen the capitalistic mode of organization by improving efficiency, productivity and rationalization, the co-operative movement was a revolt against it and sought to provide a way out to the victims of early industrial capitalism, *viz.*, the working class. There might be other reasons also to explain what has been a somewhat lukewarm attitude if not downright disinterestedness on the part of the co-operators towards the principles of scientific management. For quite sometime the co-operative units of organization had been rather small. This may partly be attributed to the "neighbourhood principle" and partly to the fact that co-operative form of organization was applied in the main, to small

retail shops and village primary co-operative societies. These were managed in many cases by honorary workers, whose amateurish ways of working based mainly on commonsense and practical experience had little use of formally enunciated management principles directed at raising productivity of large-scale organization with big inputs of capital. Small informal co-operative organizations were in greater need of spirit of service than efficiency in management. This brings us to perhaps a second factor in the analysis of the lukewarmness of the co-operators' attitude to the management principles. Co-operators were more enthusiastic about philosophy of co-operation than its operational efficiency. They perhaps felt that if co-operatives have a noble philosophy and lofty ideals, other things would take care of themselves. The movement, they thought, would make an appeal to men's minds simply by virtue of its deep moral and ethical values. There might be yet another reason explaining the lack of co-operators' interest in management which might be particularly significant in under-developed countries. In most of these, the co-operative movement owed its origin to the initiative of Government rather than to a spontaneous community organization. This created perhaps a tradition of dependence on Government. The co-operative organization was brought into existence by an agency of Government, was nurtured and supervised by it and in some cases even conducted by it ! In such a situation the business criterion of efficiency, the calculus of profits and losses naturally tends to be obscured by the administrative practices and procedures, rules and regulations.

The lack of mutual contact between management and co-operation has, however, not been a one-way affair. The writers and students of management have been equally guilty of an *insouciant* attitude towards co-operation. For long they confined themselves exclusively to the private sector. It is only in recent years that with the expansion of public sector in Western democracies and now in the developing countries, the study of management in public sector has assumed importance. In fact, this new field of study has become prestigious.[1] But the neglect of co-operative sector at the hands of management writers continues. This is despite the fact that, in a manner of speaking, there is a kindred kinship between management and co-operation.

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[1] Here are some excerpts from a German report on "Contributions on Management Problems of the Public Sector of the Economy": "Public enterprises, too, certainly belong to the field of investigation of business administration theory. However, in order to be able completely to embrace all the constituent aspects of the State activities, business administration theory has to have recourse to its sister sciences. *Theoretically important problems of the public sector economy can be studied more intensively than hitherto by taking into account the findings of management research*" (italics mine). *The German Economic Review*, Vol. V, No. 2, 1967, pp. 155-58.

If there is anything nearest co-operation, it is management because is not the ultimate purpose of management the promotion of co-operative effort?[1] But while co-operation in the general sense may be the objective of management, "Co-operative Organization" in its technical sense has as yet remained remote from the science of management. The situation is, however, changing which makes it necessary that the place of management in co-operation should attract increasing attention. Co-operators on their part are slowly becoming aware of the importance of management in co-operation. The significance of management principles for the success of co-operative enterprise is slowly dawning on them. Even the enthusiasts of co-operation have realized that philosophy bakes no bread and co-operation though a value to be cherished cannot, in the economics of scarcity and the politics of poverty, be an end in itself. It has to prove its merit and this it can do only by developing and maintaining the highest standards of managerial efficiency which would make it survive and grow in the competitive world. The modern world is dominated by not only technological advance but organizational innovation. Monopolies, oligopolies, big corporations, chain-stores and multiple shops have emerged on the economic landscape. Survival and growth in such a situation demands that the co-operatives explore fully the potentialities of management principles and their application in their business.

At the same time, the growth of co-operative enterprises has reached a stage when the general student of management can no longer neglect the co-operative sector. Many developing countries have given an important place to co-operation in their scheme of development. It has been chosen as an instrument of socio-economic change. In planned economics, it has become one of the important instruments of planning. At the same time promotion of the co-operative movement has been enshrined in the national plans as one of the objectives to be pursued. It has often been said that in a mixed economy consisting of private, public and co-operative sectors, the co-operative sector[2] plays a balancing role and lends to the entire economic system

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[1] *See* for instance *The Principles & Practices of Management*, Edited by E.F.L. Brech, 1965, p. 89 where Chester Bernard's "Functions of the Executives" is described as "a penetrating analysis of the *process of co-operation* that is inherent in every aspect of Management."

[2] The idea of the co-operative sector was systematically developed by Dr. Fanquet of the ILO. Actually as compared with the idea of "Co-operative Commonwealth" or the "Co-operative Order" it gives a much humbler place to Co-operation in the economic system. Charles Gide, one of the great economists to have taken interest in Co-operation, thought of Co-operation in much more ambitious terms. He looked forward to the rise of the "Co-operative Republic" and traced the three stages towards this destination—the Consumer Co-operatives, Industry, and finally Agriculture. Fanquet, on the other hand, thought that the economy has to be pluralistic. He distinguished four sectors, *viz.*, the Public, the Capitalist, the Private (which comprehends non-capitalistic units and activities of household economy and of the farm and crafts economy) and the Co-operative

a certain direction and sense of values. If such is the place of co-operation in economic life, then in any comprehensive scheme of the study of public administration and management, co-operation must obviously find its own place. This would at once give rise to the central issue, *viz.* to what extent the principles of management are relevant to co-operative organization and if they have some relevance, what is the scope of their application? Do the principles of management require some modification when applied within the framework of co-operative organization or would the universality of management principles mean that they are valid without exception even within the co-operative sector? Answers to these questions would require a brief recapitulation of the principles of management and the principles of co-operation, and a comparison of these principles to find out their mutual compatability. This is too large a ground to be covered in a single article. But the central purpose of the article requires that the principles of management and the principles of co-operation are seen together and in juxtaposition.

II

The management literature has assumed enormous proportion, particularly in recent years. A Professor of Management has recently talked of a jungle of management theories evolved by a variety of schools—scientific, mathematical, empirical, operational, etc., each drawing on a variety of social disciplines like economics, sociology, social psychology, statistics, etc. It has been stated that since 1960 more than 12,000 volumes have been published in the subject of management in English language alone. It is not necessary for the purpose of this article to comprehensively review the entire management literature. Suffice it to recollect the mnemonic POSDCORB which in a capsule form contains the main management principles, *viz.*: P=Planning; O=Organization; S=Staffing; D=Direction and Decision-making; CO=Control, Co-ordination and Communication; R=Representation; and B=Budgeting.

Sector. Co-operation is thus just one sector of the economy, a sector whose range will vary according to the nature of the economy and political forces of the milieu and the qualities of the co-operators themselves. He would confine the scope of the co-operatives to the initial and final extremities of the economic process, *viz.*, Agriculture and Consumption, whereas the central zone, *i.e.*, Transformation Industry, is either capitalistic or public. He dismissed an infinite expansion of co-operatives such as would be implied in the idea of the Co-operative Republic or Co-operative Commonwealth as "simple faith". For all this see Paul Lambert's master piece, *Studies in the Social Philosophy of Co-operation*, Ch. 3, sections 2 & 3, 1963.

Planning is orderly arrangement of the future. It involves forecasting but it also stipulates certain objectives, with reference to which a strategy of operation has to be worked out. The objectives have to be broken into sub-objectives which then assume the nature of so many concrete tasks and no longer remain vague aspirations or purposes. A series of tasks and targets to be carried out in a certain sequence would be the end-product of the process of planning.

The plan thus worked out has to be implemented through an *organization* which will have to be constructed in such a way as to be adequate for implementing the various tasks. Tasks have to be analysed in terms of a number of jobs and for every job there has to be a position and an incumbent of the position. The incumbents of the various positions have to be vested with their authority commensurate with responsibility. The positions will have to be logically arranged vertically and horizontally and the relationship—vertical and horizontal—between the incumbents of different jobs constitute the totality of an organization. This, however, is only the "formal organization". Elton Mayo and Mary Parker Follett drew attention to the so called "informal organization", which is summed up by the term "Organizational Climate" which depends on the human relationship of the men within an organization and above all on leadership. The organizational climate may be stimulating and promote vitality and initiative. On the other hand, it may be authoritative and rigid stiffling all initiative and self-help. Furthermore, an organization does not function in a vacuum. It functions in an environment. Every organization is embedded in the community of which it is a part. Changes in any organization are as much exogenous as they are endogenous. In other words, they are as much decided by external influence of the community environment as by the changes within the framework of an organization.

Once the organizational chart is worked out and the job positions defined, they have to be filled up with suitable personnel and this is the function of *staffing*. The principles of personnel management include careful enunciation of the necessary qualifications for a job, systematic procedures of recruitment and selection, a planned programme of training and career placements including job rotation, supervision and guidance, a system of reward and punishment which would make promotion a prize of superior performance, appropriate conditions of service, and a system of incentive payments or remuneration, etc.

Once the incumbents of different positions are recruited and placed within the organization, they have to be welded into a team and their

group activities directed towards the realization of goals and objectives according to the pre-determined plan. This is the function of *Direction* or in other words of *Leadership*. This is the operational part of management through which the policies and objectives decided at the stage of planning are put into concrete action. In this process, it is necessary to take a number of detailed day-to-day decisions which together with direction constitute an essential function of management.

But things may not go as planned initially. There might be unanticipated forces which might require a reappraisal, sometimes, agonising, of the course of action chalked out initially. Change may be called for in the job charts, in the incumbents in organization, in detailed plan of operation, etc., and this rectification process is the essential management function of *Control*. The corporate objectives of any large organization can be the result of a series of activities of different individuals or groups of individuals to be performed in a certain sequence. The right things must be done at the right time in right proportion by the right people and this is the function of *Co-ordination*. In the process of execution, the managerial objectives have to be properly understood at the lowest level, at the same time there should be a continuous feed back to the top echelons of the difficulties in implementation so that there is a constant dialogue and interaction between the top and the bottom, plan formulation and implementation. This is the two-way flow of *Communication*.

In its attempt to realize its goal every organization has to deal with a large number of other organizations—the suppliers, the customers, the local authorities and the public authorities and put across its requirements in the form of attractive proposals. This is the function of *Representation* and Public Relations.

Finally, *Budgeting* is the financial expression of the physical plans and, together with a functional system of accounting, is an essential tool of management both for planning and for control of business.

III

The principles of co-operation are normally traced to the Rochdale Pioneers who established their Equitable Society in 1844, though their origin goes further back to Gobert Owen and Dr. William King of Brighten and to some of the Utopian Socialists. The co-operative principles, though revolutionary in character were never stridently announced from the pulpit or the platform and though of deep philosophical import, were not enunciated in any weighty tome of a learned

philosopher. They were simply the rules of business recorded in the minutes of the proceedings of a small consumer society of a handful of weavers who came together for providing common mutual services. But herein lies the secret of the profound combination of vision and realism in the principles of co-operation when seen together as a totality. More than a century has elapsed since the principles were first enunciated; through the years they have been examined and commented upon, refurbished and reburnished, but their original statement remains almost unaltered in all the essential aspects. The latest effort towards the "reformulation" of the co-operative principles to suit the conditions of modern times, took place as recently as 1966 when the report of the "Authoritative Commission" appointed by the International Co-operative Alliance was considered and adopted by the ICA Congress in Vienna. It is significant to note in this connection that it was a near miracle that the Authoritative Commission succeeded in presenting a formulation of co-operative principles which found unanimous acceptance without a note of dissent either in the Commission's report or in the deliberations of the International Congress. The Commission had on it representatives from the U.S.A., from European democracies, *viz.* U.K. and West Germany and U.S.S.R. and was presided over by a representative of the developing countries, *viz.* Prof. D. G. Karve of India. In spite of different social and economic environments and the political systems prevailing in these different countries, the eminent co-operators were able to hammer out a statement of co-operative principles with universal validity.

Without reviewing different versions or statements of co-operative principles, it would be enough for the purpose of this article to recapitulate briefly the essential principles and ideas.

(1) Co-operation is an association with *open and voluntary membership.* Its membership is *open*, with rare exceptions, to all those who can make appropriate use of the services for rendering which the co-operative has come into being. This is irrespective of differences of caste, creed, colour, community or race. The universality of co-operation can brook no discrimination. Its membership is also *voluntary* and no one, again with rare exceptions, can be either compelled to join it or prevented from withdrawing from it.

(2) Co-operation is based on *democracy* and *democratic management.* Every user of a service rendered by a co-operative can be its member. But every member is the owner of the co-operative business and hence the identity of the user and the owner. Moreover, the membership is on the basis of equality and hence the principle of "one

man one vote". The basic democratic organ of a primary co-operative association is the annual meeting of the General Body of members which can take final decisions in all matters. It can review past activities, prepare programme for the future, approve annual budget and elect Board of Directors and office-bearers to be in charge of various responsibilities on behalf of the General Body. These principles of democracy are equally applicable to the secondary co-operative organizations. The *co-operative federalism* is a pyramidal structure with the primary societies and their membership at the base and mutually linked secondary organizations at the higher tiers, all ultimately affiliated to a single national or international organization. The primaries have a place in the constitution of secondary organizations on a basis of equality. Besides, while the secondary organizations can render certain common services to its affiliated societies, the latter do retain their *autonomy* and their answerability to the primary membership.

(3) Arising out of the mutual links between co-operative societies at different tiers in the co-operative federalism is the principle of *Co-operation amongst the co-operatives*. This principle requires maximum possible mutual help and co-operation between co-operatives at different levels and in different sectors, between local and regional co-operatives, regional and national co-operatives and amongst national co-operatives themselves. It is only through such mutual co-operation, that co-operatives can face the economic world of monopolies, and oligopolies and attain fullest growth of which it has the potential— and potentially the co-operative movement is amongst the biggest in the world.

If open and voluntary membership, democracy and co-operative federalism constitute the political philosophy of co-operation, its economic philosophy is embodied in the twin principles of limited interest on capital and the principles regarding the distribution of the surplus.

(4) Like all socialist movements, the co-operative movement places the human-being rather than capital at the centre of all economic activities and regards him as the producer of all wealth. It rejects all unearned incomes and if it concedes interest on capital, it is neither as a reward for waiting nor for productivity but simply because in practice it is necessary to pay some rate of interest. But it will have to be limited and pre-determined. In other words, it would not vary with the trading surplus. A corollary of this is that the shares in a co-operative do not have varying values like the shares of private companies in the stock exchange. The co-operative organization eschews creation of capital gains.

(5) In capitalistic enterprise, the trading surplus is available either to the financer or the financer-cum-entrepreneur as profits which are considered to be a reward for bearing risk and uncertainty. Profits in this sense have no place in co-operative organizations. Their objective is mutual service and if this can be rendered to the members on no-profit-no-loss basis, it would be a perfectly valid arrangement in a co-operative enterprise. *Profits are neither the objective nor the obligation or the yardstick of efficiency of co-operative business.*

Whether a trading surplus should be generated or not in course of mutual service, is a matter for the General Body of members to decide. For instance, it might well be open to a consumer co-operative society to choose the alternative of price-cutting till the price is equivalent to cost rather than look for any surplus. Where, however, such a surplus is generated three courses are open to the co-operative membership—either use it for capital formation or on objects of common benefit or distribute the surplus and dividend to the members. The Rochdale Pioneers laid down the principle regarding the method of this distribution. It must be distributed to the members in proportion to their purchases. This principle of distribution of dividend in proportion to the transactions has to be adapted to the different co-operative sectors. Thus while in the consumer sector the dividend would be in proportion to the purchases, in the workers' co-operative it would be in proportion to the work done, or in the marketing co-operative, in proportion to the supplies delivered. The freedom of the co-operatives from profit making motive, is also to be seen in the principle of disinterested transmission of their assets on dissolution if it were to be necessary. The assets are not available for distribution amongst members at the time of dissolution but are rather available for being earmarked for some philanthropic or charitable purposes as decided by the general body of members.

(6) The disinterested or altruistic character of the co-operatives is seen by their attitude to profit, their willingness to keep their door open at all times to persons who are prepared to stand by the conditions of membership and the manner in which even after its liquidation its assets are available to the community as a whole. All these are broadly termed as the principles of *service* of the co-operative organization, which stand in sharp contrast to the principle of profit so characteristic of the acquisitive or capitalistic society.

(7) The principles of *self-help* and *mutual help* are implicit in the principles which have been briefly discussed so far. The principle of

self-help implies self-financing and self-management by the co-operatives. As a Catholic socialist pointed out long ago, self-help in co-operatives is not selfish help as in private enterprise. It is combined with mutual help. It is the genius of the co-operative movement to have recognized values of self-help and mutual-help then united in a single effort.

(8) The principle of *neutrality* has been held high for long by the co-operative movement. It implies, on one hand, non-discrimination as between members proclaiming different religions or belonging to different political parties and also at the same time political and religious non-alignment on the part of the co-operative so that its activities are directed solely towards rendering of services for which it is constituted and not by any ulterior religious or political motives. Neutrality, however, should not be understood as a negative concept. As Charles Gide pointed out long ago, co-operatives have also to display the positive principle of Independence and as the authoritative Commission pointed out, the principle of Neutrality should not be interpreted to debar the co-operative movement from either influencing, in realization of its purpose, the legislature, the executive or the administration nor should the co-operatives dissociate themselves from some of the highest aims of humanity, such as vindication of human rights, maintenance of world peace or assistance to the under-privileged.

(9) A large number of business practices, such as the *purity of goods, cash payments and correct weighment* have sometimes been included amongst the principles of co-operation. While in the advanced countries the strict enforcement of anti-adulteration acts have whittled down considerably the significance of the principle of purity of the products, it still continues to be of some significance in the underdeveloped countries where the private traders have little compunctions in indulging in the sale of adulterated commodities. Some can also be said about correct weight and measurement. As regards cash payment, while with the higher standard of living in the affluent societies and the wide prevalence of hire-purchase and instalment credit have diminished the importance of the principle of cash payment, it is still a sound canon of financial prudence in the underdeveloped countries.

(10) Last but not least is the principle of *Education*. It has been rightly said that the co-operative movement was born with education and educationists. The Rochdale Pioneers made financial provision for education from the very inception. Insofar as co-operation is not only a business enterprise but also an association of human beings with deep moral values, it is an education movement in self-help or

mutual help. But as 1966 Commission pointed out, principle of education is also a condition for the realization of all other co-operative principles and success of the co-operative business. Member-education and training of office-bearers and executives have always been considered essential by the co-operative movement for promoting enlightened membership, leadership and efficiency in management.

IV

We are now in a position to see the principles of management and principles of co-operation together (*see* Annexure, p. 88). Let us take in seriatim the principles of management briefly summarised above and see to what extent they need to be modified with reference to any of the co-operative principles.

The principle of *Planning* in the sense of forecasting is valid for the co-operative business as well. It is in framing the objectives that the difference between application of the principle to the private enterprise as distinguished from the co-operative enterprise would arise.[4] If maximization of profits is the objective towards which the activities are planned in private enterprise, it is towards maximization of service that the co-operative effort is to be directed. The discussion mentioned above of the principle of distribution of surplus of the co-operative enterprise has shown how planning and pricing of the co-operative enterprise must be conducted with reference to the objective of maximization of service.

As regards the principle of organization, it is necessary to take into account the needs of co-operative democracy and co-operative federalism. With the need for functional combination a trend towards organizational integration has arisen in trade and industry generally. It is an integrated organization that can "deliver the goods" in modern conditions. While the importance of combination of services is equally great in the co-operative enterprise, it has to be rendered consistent with the principles of co-operative democracy, and co-operative federalism. Many concessions to the needs of optimum organization have been made even in the co-operative field. Thus large-scale primary units and unitary or branch pattern of organization have been on the increase in the co-operative sector. But if co-operative movement is not

[4] This would also arise when management principles are applied to the public sector. According to the German report : "The objectives of public sector enterprises cannot be borrowed from the sector of private enterprises. ...There can be different categories of public sector enterprise objectives—those of producing, safeguarding and balancing, those of autonomy and of amalgamation, and finally growth objectives—and the relationship between these categories." *The German Economic Review*, *op. cit.*

to lose its essential character, it will have to devise ways and means of ensuring continued active participation of members in its affairs and the preservation of local autonomy. If this is done, a proper balance could be established between decentralization which is the ally of democracy and centralization which is the condition of efficiency.

The informal aspect of organization goes also with the principles of personnel management. The co-operative movement has always taken the stand that its employees are important participants in the co-operative activity of the association and as such not only is the membership of the co-operative always open to its employees but they have also every right to be elected on the Board of Directors of the co-operative enterprise though great care will have to be taken to see that the employees do not dominate, numerically or otherwise, the General Body of membership nor in governing and supervising the affairs of the society. The attitude of co-operatives to their employees is not one of treating them as mere factors of production like plant or equipments but rather as one of partners in the enterprise with a right to partake of the fruits of their effort and to share in management.

The principle of direction and decision-making is as much important in co-operative enterprise as in any other. Some times, the co-operative principle of democracy is confused to imply that a Manager in a co-operative enterprise is completely at the beck and call of the Board of Directors who in fact become a committee of management. The modern view even in the co-operative movement is to make a distinction between formulation of policy and its execution.[8] While the management would be ultimately answerable to the General Body of membership through the Board of Directors for all its activities and would have to place a record of its activities for evaluation at the meetings of the Board of Directors and be bound by the general framework of policy laid down by the Board, in all matters of decision making the General Manager will have complete freedom. The Board of Directors should carefully select the person who is to act as the General Manager; but once selected so long as he retains the confidence, he will have the maximum possible authority delegated to him and would be allowed to exercise that authority without nagging day-to-day interferences.

[8] See, for example, the *Co-operative Independent Commission Report* published by the Co-operative Union Ltd., 1958, pp 16-19. It says: "It is no longer possible for a part-time body of lay co-operators to undertake the detailed day-to-day managements of society; this must be delegated to trained, full-time professional officials ...nature of democratic control must be adapted to altered circumstances; then the claims of democracy and efficiency can perfectly well be reconciled".

The problem of *co-ordination* is much more complicated in a co-operative enterprise than in a private enterprise. The principle of unity of command has little application in a co-operative sector as an instrument of co-ordination. It is rather through communication, persuasion and education that co-ordination, both vertical and horizontal, will have to be achieved as between the co-operatives even within the same sector. It is the principle of "co-operation amongst co-operatives" rather than of "unity of command" which is more relevant in co-operative management.

Finally, the principle of *Representation* will have to be considered together with the co-operative principle of neutrality. As has been made clear above, for realization of its purpose and for the promotion of its service, co-operatives should have all possible contacts with the legislature, public authorities and the community at large. In this the co-operatives have the added advantage that in the ultimate analysis, the interests of the co-operatives merge into the interest of the society as a whole. It may be said that this is also true of private enterprise because did not Adam Smith point out that it is through the effort of the butcher, the baker and the brewer to promote their self-interest that the members of the community get their services? It is not necessary to give instances here of the manner in which a capitalistic system conflicts between the individual interests and the community interests are brought into open. It is the conscious effort of the co-operatives to harmonize the interests of the individuals with those of the community, of the producers with the consumers and removing the duality in the individual as a user and a member.

All the management principles ultimately converge on the principles of efficiency which, of course, has different connections. If efficiency is maximum productivity, it could be defined as the realization of maximum returns for a given input of resources or minimizing the input of resources for a given output. The principle of efficiency, in this sense, is valid in the co-operative sector also. But insofar as the market mechanism and the private enterprise turn the principle of maximum efficiency into the principle of maximum profit, it becomes incompatible with the co-operative movement and needs modification. Prof. Pigou enunciated the famous principles related to social returns and social costs. It is these latter which are more akin to the principles of co-operation in the pursuit of the co-operative objectives. A completely co-operativized economy is still a dream but if it can be constructed as a model then the principles of management aimed at maximum productivity will have a full place in it. But they will have

to be purged of all their associations with exploitation of man by man, of labour by owners and the capitalists and of producers by the consumers and vice-versa.

ANNEXURE

Principles of Management and Principles of Co-operation

Principles of Management	*Principles of Co-operation*
Planning :	
(*a*) Forecasting (*b*) Defining objectives	Objective of maximization of service
	Limited predetermined interest on capital
	Disposal of surplus, if any, for: (*a*) capital formation, (*b*) common enjoyment, and (*c*) distribution of dividend in proportion to transactions
Organization	Democracy Federalism
Staffing	Open membership
Direction	Democracy (in the modern context)
Co-ordination	Federalism: Co-operation amongst co-operatives
Control	Democratic control
Communication	Education
Representation	Neutrality
Budgeting	
Criterion of efficiency—maximization of productivity or maximization of profit?	Maximum service—not maximum profit.

LOCAL GOVERNMENT, LOCAL ADMINISTRATION AND DEVELOPMENT: ROLE ADAPTATION OF THE DISTRICT OFFICER IN INDIA

Haridwar Rai

THE District Officer has been primarily the field agent of the government and has symbolized local administration in the district.[1] Consequently, he occupied the focal point in the Indian local government system during British rule, being directly responsible, until the introduction of dyarchical government, for the administration of the local bodies in the same manner and to the same extent as for revenue and criminal administration in his area.[2] In early days, he was *ex-officio* president of the district board and the headquarters municipality and performed the dual role of presiding over their meetings and "helping" them in making decisions on matters of local concern, on the one hand, and implementing them with the help of local administrative machinery, on the other. Besides, he exercised financial and administrative control over them of a stringent type, treating them as virtual appendages to his headquarters establishment. Thus, local bodies were part of the tradition-bound authority of the collectorate and he exercised control from *within* rather than *without*. Local administration thus absorbed local government.[3]

With the introduction of dyarchy, this system of control from within was substituted by that of control from without under which

[1] For a discussion on the role of the District Officer as government's agent and representative in the field and as local chief executive, *see* Haridwar Rai, "The District Officer in India Today", *Journal of Administration Overseas*, Vol. VI, No. I, January 1967 pp. 13-27.

[2] With the introduction of the Montford reforms under the Government of India Act, 1919, the domain of the provincial government was divided into two groups of subjects, one of which was made over to Ministers chosen by the Governor from among elected members of the provincial legislature, while the other remained under the administration of the Governor and the Members of his Executive Council. The former were called the "transferred" subjects, prominent among which were those of education, medicine, local government, public works, agriculture, etc., and the latter "reserved" with the Governor and his Executive Council. This arrangement became known as dyarchy.

[3] For a full treatment of the role of the District Officer in the local government system before Independence, *see* Haridwar Rai, "The District Officer vis-a-vis Local Government System in India : An Aspect of the System of Control and Supervision of Local Authorities before Independence", *The Patna University Journal*, Vol. 21, No. 3, July 1966, pp. 43-57.

local bodies ceased to be part of local administration and became, instead, an authority parallel to it. The District Officer, nevertheless, had still the right to intervene to prevent action on their part likely to lead to a breach of peace or to "grave injustice" to any section of the population, and always remained the sole agent through whom the provincial government exercised powers to make rules, dissolve local bodies, control their finances, take action in default, settle disputes and did similar other things. This system of control remained basically unaltered until the advent of Independence when, with the inauguration of Panchayati Raj, about the same old controversy, as it were, came to be revived which had bedevilled the Indian local government system from the days of Lord Ripon. The controversy epitomized a state of hostile relations, an antagonism, between local administration and local government. The former was regarded as representing bureaucracy, foreign rule and traditional governmental authority, the latter as serving the first step towards self-rule and as the preparatory school in the life-and-death political struggle against the colonial rule. Local government became an important weapon in the nationalist armoury for capturing the goal of political power. Local administration became the symbol of British resistance to nationalist efforts to end colonial rule.[4]

Even some time after Independence, local bodies generally continued to have a vegetative existence in the shadow of local administration. Also, they suffered almost endemically from the lack of resources, and most serious of all, they were out of touch with the aspirations of the people and needs of the locality.[5] No wonder, many of the functions of local bodies were taken over (this became known as *provincialization*) by the state government, for there did hardly exist a unity of purpose and outlook between governmental agencies in the field and local bodies, which was so essential to the co-ordinated development of the countryside. Accordingly, when the state government

[4] For a detailed discussion on the controversy, see *ibid.*, pp. 47-54. In fact, it has [be]en observed that the loss of unlimited power which local administration exercised over [lo]cal government tended to produce in the District Officer, "an attitude of half cynical [scep]ticism" and he was inclined to believe that "the structure built by his predecessors in [th]e district boards and municipality was travelling down the easy descent to chaos and [ba]nkruptcy". See *Memorandum submitted to the Indian Statutory Commission by the Go[ve]rnment of Bihar & Orissa*, Vol XII, Calcutta, Central Publication Branch, 1930, p. 292. [Ri]chard Park has maintained, as against this, that "for nationalist leaders, or potential [lea]ders, it was the substance and not the form of politics that was desired. Local adminis[tra]tive and advisory experience thus became only stepping-stones to the politics of nationa[l]l movement where political power, not training was the goal". See "District Administ[ra]tion and Local Self-Government", *Leadership and Political Institutions in India*, Ri[ch]ard L. Park and Irene Tinker (Eds.), London, Oxford University Press, 1960, p. 340.

[5] For a full account of the defects in the Indian local government system before [In]dependence. See Haridwar Rai, "A Background Study of Panchayati Raj", *Journal [of] Political Science*, Agra University, December 1966, pp 36-44.

drew up blue-prints for the socio-economic reconstruction of village communities, a number of development programmes were launched through its departmental agencies and not through the instrumentality of local bodies. It was feared that "the creation of decentralized agencies for functions now performed by state governments may lead to the weakening of the administration and to the lowering of the standards of performance.[6] Indeed, despite loud public proclamation in praise of local bodies following Independence, their inherent legitimacy and importance were incompletely recognized and they remained in what has been aptly remarked "a state of tolerated rather than legitimate, experimental rather than permanent existence".[7]

Thus, local bodies were still treated by the government as unsuitable organs for arousing public enthusiasm and mobilizing community co-operation and, therefore, when development programmes were inaugurated in community development and extension blocks in the first years of the fifties, they were evidently ignored and no respectable role was assigned to them in the task of community building. Instead, *ad hoc* block and district advisory committees, consisting of representatives drawn from legislature, rural co-operatives, voluntary bodies, various government departments and also local bodies were constituted to whom was entrusted the work of organizing people's co-operation and initiative for implementing development programmes through the machinery of local administration. They were intended to be nuclei, under official aegis, of concerted and united efforts and "aided self-help" of village communities in the scheme of community development. Thus, in the first decade of Independence, there was "an increasing degree of official and centralized control throughout the whole range of local affairs".[8] The Mehta Study Team, too, saw in this development "the gradual eclipse of district boards from the social polity".[9]

But even these block and district advisory committees could not achieve their objective. They were essentially consultative bodies,

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[6] Government of India, Planning Commission, *The First Five Year Plan*, Delhi Manager of Publications, 1953, p. 139.

[7] D. G. Karve, *Public Administration in Democracy*, Poona, Gokhale Institute of Politics and Economics, 1950, p. 31.

[8] Hugh Tinker, "Authority and Community in Village India", *EROPA REVIEW*, Vol. I, pp. 122. *See* also Hugh Tinker, "Tradition and Experiment in Forms of Government", *Politics and Society in India*, C.H. Philips (Ed.), London, Allen and Unwin, 1963, pp. 167.

[9] Government of India, Committee on Plan Projects, *Report of the Team for the Study of Community Projects and National Extension Service*, Vol. II, Delhi, Manager of Publications, 1957, p. 12. The report of the team is popularly called the Mehta Study Team Report, after the name of its chairman, Balwantray Mehta.

lacked representative character and could not obtain a legitimate status in popular estimation on account of their failure to secure the degree of popular participation and co-operation implicit in the concepts of community development and national extension service. Some of the representatives of government departments tended to avoid attending them, for they regarded this as waste of time. Some of the non-official members looked upon them as forums for ventilation of grievances against certain official agencies or their individual employees involved in the extension organization. Their approach to rural development problems had generally sectional or parochial undertones and tended to be more often a hindrance than a help in promoting development programmes.[10] A comprehensive review of local government and administration conducted by the Mehta Study Team—"probably the most influential survey of local administration which has appeared since Independence"[11]—revealed that attempts made to harness local Initiative through *ad hoc* advisory committees had generally failed and had not given sure indication of "either durable strength or leadership necessary to provide the motive force for continuing improvement of economic and social condition in rural areas". Accordingly, the Study Team formulated the scheme of democratic decentralization, now called Panchayati Raj, and concluded: "So long as we do not discover or create a representative and democratic institution, which will supply 'the local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms to the needs and wishes of the locality', invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development".[12]

II

Thus emerged the Panchayati Raj scheme as an alternative to district and block committees "from the anxiety to obtain full public co-operation in the execution of development programmes" rather than "from the political motive of broadening the base of our democracy

[10] For a full picture of the working of block and district advisory committees, see Government of India, Planning Commission, *Evaluation Report on the First Year Working of Community Projects*, 1954, *Second Evaluation Report on the Working of Community Projects and N.E.S. Blocks*, 1955, and *The Third Evaluation Report on the Working of Community Projects and N.E.S. Blocks*, 1956, New Delhi, Programme Evaluation Organization, and Government of India, Planning Commission, *Second Five Year Plan*, New Delhi, Manager of Publications, 1956.

[11] Hugh Tinker, "Authority and Community in Village India", *EROPA REVIEW*, *op. cit.*, pp. 119.

[12] See *Report of the Team for the Study of Community Projects and National Extension Service*, Vol. I, *op. cit.*, p. 5.

or laying the foundations of ..." participating democracy.[13] During the First Five Year Plan, emphasis was laid upon strengthening the normal district administration and transforming it into a welfare administration. Administrative efficiency and people's co-operation were the ends to be achieved. The Second Five Year Plan also underlined the importance of district administration as an agency of change towards a new social order. The District Officer was in the centre of planning and execution. He was and was intended to be the captain and co-ordinator of development agencies in the district.

The administrative machinery in the district still was the pivot of planning and execution; and people's representatives were only *associated* with the formulation and execution of development programmes. The thinking of the Second Five Year Plan, in respect of giving more assistance and delegating more powers to the District Officer, was almost entirely in line with that of the First Five Year Plan. Though the former emphasized "the necessity of District Administration responding to the needs of the people, and integrating into its basic structure institutions of popular association and co-operation, it still kept the dichotomy between District Administration, on the one hand, and Local Self-Government institutions on the other."[14] Thus, even in the Second Five Year Plan, stress was laid on *participation* by local bodies or their committees or other *ad hoc* committees in the formulation and execution of development programmes rather than *devolution* of powers to them. In this system of district administration, the position of the District Officer as captain and co-ordinator of development departments and as sole supervisor of all governmental activities in the district remained unimpaired.

However, the acceptance of the scheme of democratic decentralization by state governments was bound to have a far-reaching effect upon district administration, and ideas held so far about its set-up began undergoing a significant change. A cardinal question that naturally came up for discussion at the very outset was: What should be the role of the District Officer in the scheme of Panchayati Raj? How should he stand in relation to these bodies? Should he be inside the Panchayati Raj institutions? Or, should he watch their working from outside, acting as their guide and adviser and, occasionally, censor? Similar questions had been raised in the eighties of the last

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[13] Jayaprakash Narayan, *Swaraj for the People*, Varanasi, Akhil Bharat Sarva Seva Sangh, 1961, p. 7.

[14] P. R. Dubhashi, "Whither District Administration ?", *Kurukshetra*, Vol. 10, No. 1, October 1962, p. 35.

century when efforts were made to organize local bodies by Lord Ripon.

The Mehta Study Team which pleaded so vigorously for the devolution of wide powers to the Panchayati Raj institutions could not have possibly omitted to refer to the office of the District Officer, and indeed suggested that "the Collector will be the chairman of this parishad (the zila parishad) and one of his officers will be the secretary".[15] That there should be some amount of state control over the Panchayati Raj institutions is beyond any doubt. They are, after all, what may be called "the infra-sovereign geographic sub-divisions"[16], and, therefore, it may be pleaded that the District Officer as the agent of the state government in the district should have some means at his disposal to keep himself in touch with their working, guide them in their initial stages, and keep the government fully informed of how they go about their work. Without doubt, this contention in itself is debatable. But another point which has aroused a keen controversy during the past decade is whether he should play his role as a *member* or *chairman* of these bodies or as an *observer* from outside taking corrective action, where the government so decides.

III

The first official conference which discussed the question of his alternative roles in the Panchayati Raj system was the sixth meeting of the Central Council of Local Self-Government held at Bangalore in November, 1960. The conference resolved: "The Collector should be kept outside the three-tier system and should be the agent of the Government in the field with the duty to keep the Government informed of the happenings and the general trend of events, and where the Government so decides, to take necessary corrective action. For these purposes, he may be entitled to attend the meetings of the Zila Parishad/Panchayat Samiti or its sub-committees and also call for their records. But where the district level body is, in its functions, a mere co-ordinating and advisory body, the Collector could be associated with it more closely than where it is an executive body."[17]

The conferer ce further decided that the District Officer and the

[15] *Report of the Team for the Study of Community Projects and National Extension Service*, Vol. 1, *op. cit*, p. 19.

[16] Samuel Humes and E. M. Martin, *The Structure of Local Governments Throughout the World*, The Hague, International Union of Local Authorities, Martinus Nijhoff, 1961, p. 3.

[17] See *Kurukshetra*, Vol 9, No 4, January 1961, p 12.

Sub-divisional Officer should be responsible for carrying out inspection of the panchayats and the panchayat samitis and the inspection reports should be sent to the panchayat samiti or the zila parishad, as the case may be, and to the district heads of technical departments for suitable action.[18]

A few months later, the Annual Conference on Community Development and that of State Ministers of Community Development and Panchayati Raj held at Hyderabad in July, 1961, discussed the following alternatives:

"Should the Collector be:

(*a*) Chairman of Zila Parishad (as recommended by the Mehta Study Team);

(*b*) Chairman of Standing Committee, though not chairman of the whole body;

(*c*) Full or associated member of the Zila Parishad; and

(*d*) Completely outside the three-tier system."[19]

Though the conference resolved that "the collector should keep himself in constant touch with zila parishad with regard to planning and implementation of various development programmes", it felt that it was yet too early to indicate which of the following four alternatives, which presented themselves to the conference, were the best: "(*i*) The collector should be fully associated with the Panchayati Raj institutions and should be member and chairman of the Zila Parishad. (*ii*) The collector should be a member of the Zila Parishad and Chairman of all its Standing Committees. (*iii*) The collector should be just a member of the Zila Parishad with/without any right to vote. (*iv*) The collector should be completely outside the Zila Parishad but with a right to take part in the deliberations, whenever he considers this necessary."[20]

One or the other of these alternatives was acceptable to each one of the states which had either introduced measures on Panchayati Raj in their legislatures or had already enacted them. Those who

[18] *Ibid.*

[19] Government of India, Ministry of Community Development and Co-operation, *Annual Conference on Community Development and Conference of State Ministers of Community Development and Panchayati Raj at Hyderabad*, New Delhi, 1961, p. 176.

[20] *Ibid.*, p. 22.

were in favour of retaining the District Officer as the chairman of the zila parishad argued that the latter needed the expert guidance of the District Officer, for he could give the necessary fillip, with his administrative experience and authority, to the whole programme of development and also promote the co-ordinated effort of officials and non-officials. But there was a radically opposite view sponsored by those who felt that the District Officer was the symbol of the old bureaucratic order, and should not, therefore, be chairman of a popularly elected body. This view favoured a non-official chairman for the zila parishad, for this would inspire confidence among both the elected representatives and the people. There were two middle views, in between the two extreme ones. One was that if it was wrong and undemocratic to make the District Officer chairman of the zila parishad, it was equally wrong and ill-advised to keep him outside the Panchayati Raj system. The advocates of this view urged that the District Officer would be able to make his best contribution as chairman of the standing committees of the zila parishad. Another middle-of-the-road view was that the District Officer should be just a member of the zila parishad and nothing more.[21]

IV

There is a section of public men in the country consisting mostly of Gandhian constructive workers and Sarvodaya ideologues, who advocate that the District Officer should be the chief executive officer of the zila parishad in the same way as the block development officer is the chief executive officer of the panchayat samiti. Their approach to the local government system is sought to be extolled and popularized by the Association of Voluntary Agencies for Rural Development (AVARD) under the influence of Jayaprakash Narayan, the Sarvodaya leader. Their theory of local government system is based on the concept of "communitarian polity" in which "the 'higher' bodies derive their powers from the fact that the institution 'below' them, in effect, entrusts them with certain authority in order that they might be able to do what the 'lower' bodies themselves find to be beyond their competence".[22]

A Study Team sponsored by the Association of Voluntary Agencies for Rural Development (AVARD) to conduct a study of the

[21] *Ibid.*, pp 176-177.

[22] Jayaprakash Narayan, *A Plea for Reconstruction of Indian Polity*, Kashi, Sarva Seva Sangh, 1959, pp. 91-94. He associates the concept of Panchayati Raj with the name of Gandhiji according to whom each unit of local government in its own jurisdiction is *equally* important. *See* Jayaprakash Narayan, "The Role of Political Parties in Panchayati Raj", *Indian Journal of Public Administration*, Vol. VIII, No. 4, October-December, 1962, p. 605.

working of the Panchayati Raj system in Rajasthan remarked that "if the District Officer were to function in relation to the *Pramukh* (*i.e.*, chairman, zila parishad), as the *Vikas Adhikari* (block development officer, is expected to function in relation to the *Pradhan* (*i.e.*, chairman, panchayat samiti), the *Pramukh* would have all the scope for work that he needs and would be able to play an important part in moulding the development programme in the district".[23] In order that the state government is not weakened in relation to these bodies, the AVARD Study Team was not averse to letting the government arm itself "with the same powers of cancellation and suspension of resolutions in respect of zila parishad as it has in respect of panchayat samiti. And these powers can be operated in case of emergency".[24] It was also felt that the District Officer should have an independent jurisdiction regarding law and order, and should be free to execute such duties as the state government directed him to do. The AVARD Study Team on the working of Panchayati Raj in Andhra Pradesh, however, went the whole hog in favour of Jayaprakash Narayan's idea of the local government system and declared that the ultimate aim of Panchayati Raj was "the complete transference of all the present functions of government to the zila parishad".[25] Obviously, according to this Team, even the law and order and emergency powers of the District Officer would have to be developed to the zila parishad in none too distant future.

As against this extreme idealization of local government, there may be a more realistic view according to which the line between the development and traditional functions will tend to be thinner with the passage of time in view of the gradual emergence of a climate in favour of devolution. It is suggested that the development functions will be seen in course of time not as a separate activity of government but as a particular emphasis upon the objectives of the system's total

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[23] Association of Voluntary Agencies for Rural Development, *Report of a Study Team on Democratic Decentralisation in Rajasthan*, New Delhi, Pataudi House, 1961, p. 19. In this connection the view of Jayaprakash Narayan is worth quoting. He says "...if the devolution of power in Panchayati Raj is real, then eventually the District Magistrate should disappear or remain only as representative in the district of the State Government just as the Governor is now only a representative in the State of the Central Government." See *Swaraj for the People*, *op. cit.*, p. 9.

[24] *Ibid.*

[25] Association of Voluntary Agencies for Rural Development, *Report of a Study Team on Panchayati Raj in Andhra Pradesh*, New Delhi, Pataudi House, 1961, p. 37. For a critical review of Jayaprakash Narayan's "Communitarian Polity", *see* also Hugh Tinker, "Tradition and Experiment in Forms of Government", *Politics and Society in India*, *op. cit.*, pp. 172-181. In this connection, the view of the S.S.P. (Samyukta Socialist Party) is worth knowing. It is in favour of abolishing the post of the District Officer and transferring all functions to the elected district council. *See* Madhu Limaye, *Why Samyukta Socialist* ? Bombay, Popular Prakashan, 1966, p. 26.

functioning.[26] The full implication of the Panchayati Raj system, according to this view, raises the question as to whether a case can be made out for the continuance of all district services as a separate field agency unconnected with and independent of the Panchayati Raj system.[27] No doubt, the field agency of government is in no imminent danger of being absorbed in the new local government system, but the trend of legislation in some of the States (in particular, in Maharashtra and Gujarat) and findings of some reforms commissions hold out important possibilities for the future.[28] It is imagined that the zila parishad may take over, in due course, the operative as well as co-ordinating and development functions of the District Officer. His judicial functions in relation to law and order administration are already being transferred to professionally trained judicial officers.[29] Meanwhile, police officials through their organization are actively engaged in urging government to hand over police (executive) functions to the district superintendent of police.[30] And, above all, his revenue functions to which he owes his creation and which have formed mainstay of his strength and prestige are sought to be transferred to village panchayats, as in Bihar. Thus, through this process of attrition, the office of the District Officer, it may be conjectured, may sink into oblivion, and the executive officer of the zila parishad will emerge the most influential government functionary in the district official hierarchy—being in training, administrative experience and status equivalent to the "forgotten" District Officer. If this is the logical consummation of the process, why not make the District Officer the chief executive officer of the zila parishad, in view particularly of the fundamental changes that have occurred in the traditional position of the area co-ordinator (often called the "District Officer" or the "District Commissioner") in many of the newly independent countries of Africa?[31]

[26] This was the view held by a group of eminent political leaders, university men, representatives of voluntary bodies and administrators who assembled at Mussoorie in April, 1962 to discuss public administration aspect of Panchayati Raj.

[27] Government of India, Ministry of Community Development and Co-operation, *Public Administration in Panchayati Raj : Agenda Papers*, Mussoorie, Central Institute of Community Development (April 9 to 13, 1962), pp. 8-9.

[28] A recent administrative reforms commission accepts the Maharashtra model as most appropriate and thus reinforces this trend. *See* Government of Punjab, *Report of the Punjab Administrative Reforms Commission*, Chandigarh, Controller of Printing and Stationery, 1966, p. 227.

[29] *See* Haridwar Rai, "Separation of Executive and Judicial Functions of the District Magistrate : An Aspect of the Criminal Administration in a District of Bihar", *Journal of National Academy of Administration*, Mussoorie, Vol. IX, No. 1, pp. 1-22.

[30] *Cf.* Haridwar Rai, "District Magistrate and Police Superintendent in India : The Controversy of Dual Control", *Journal of Administration Overseas*, Vol. VI, No. 3, July 1967, pp. 192-199.

[31] It is interesting to note that "in Western Nigeria, the post has been abolished; in Eastern Nigeria, it has been reduced to advisory & liaison functions with local government

V

The proposal to abolish the office of the District Officer or to make him the chief executive of the zila parishad, divesting him altogether of his role as the local agent and the area co-ordinator of government, does not yet command wide measure of support and approval. Apart from psychological resistance to this move, there are real practical difficulties. In India, the District Officer has been the head of district administration, government's agent in the field and its most crucial instrument for executing its policy decisions of all sorts in the countryside. It will be hard indeed for government to reconcile itself to the suggestions that this post should altogether disappear. Also, the suggestion militates against the very traditions of Indian administration which consists "in the repeated division of territory into smaller local areas, entrusting their administration to agents of central authority with power to exercise the functions of government within their jurisdiction".[32] Admittedly, the abolition of the office of the District Officer or its complete absorption in the local government system will mean a radical and, perhaps, unwelcome and even hazardous departure from the system of field administration we are acquainted with.[33]

The question of appointment of the District Officer as chief executive of the zila parishad is equally fraught with an intense controversy. It may be said that as chief executive officer, he will play "the leadership role of an executive nature" and will be "the undoubted head of the team of district development officers". He will be the chief adviser of the zila parishad and will also act as a translator of the advice of the technical heads into "terms of feasible administrative measures"

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ola; in Ghana, it has been replaced by a regional post filled by political appointment; in Sudan and the United Arab Republic, it has been transformed into the office of the chief executive of local authorities of something similar to it..." *see* United Nations Technical Assistance Programme, *Decentralisation for National and Local Development*, United ons, New York, 1962, p. 25. In this connection the observation of an expert on the an administrative system may be quoted. "In some countries", he says, "like Ghana Tanganyika, field administrative officers—Chief Commissioners and Provincial Comoners, District Commissioners and District Officers—have been replaced by political ers.... In other countries they have become Local Government Inspectors." *See* L. Adu, *The Civil Service in New African States*, London, Allen & Unwin, 1964, pp. .34.

[32] *See* Haridwar Rai, "Institution of the District Collector", *Indian Journal of Public Administration*, Vol. XI, No. 3, July-September, 1965, p. 647.

[33] The observation of Richard Park in this connection is worth quoting. He says: "Respect for the relative impartiality and efficiency of the collectors of India remains high. Close observers of district administration seldom report local people pleading for an increase in local responsibility for local affairs. On the contrary, the bulk of opinion favours the retention of strong collectorates as protection against predatory incursions against the purse and powers of local affairs by local politicians." *See* Richard L. Park, "District Administration and Local Self-Government", *Leadership and Political Institutions in India*, *op. cit.*, p. 339.

for the benefit of the zila parishad. Besides, the District Officer in this role will serve as a reconciliator of national objectives with local needs and will play an important role in national development without being hindered by "an illogical position where he is a mere voting or non-voting member of the zila parishad or the chairman of the standing committees".[34]

There is also an opposite and, perhaps, more convincing view held on the question, which found an authoritative expression in the resolutions of the Hyderabad conference held in July, 1961. Attended by ministers and top officials of development departments of various state governments, the conference concluded that the District Officer must discharge the following broad functions in the Panchayati Raj system:

"(*a*) To function as a representative of the State Government at the district level and to work as an effective liaison between State Government and the Zila Parishad.

(*b*) To help in the proper and healthy growth of the new institutions and in particular assist the Zila Parishad to grow into an effective organization for purposes of development.

(*c*) To ensure optimum utilization of resources available to Panchayati Raj institutions, such as money, staff, technical assistance and other facilities from higher levels.

(*d*) To ensure that district level officers discharge their central responsibility for planning and supervision so as to provide adequate technical support to the programme.

(*e*) To ensure that planning by the Zila Parishad and lower bodies is realistic, and is in conformity with national priorities or policies.

(*f*) To ensure that the Panchayati Raj institutions give due attention to the economically weaker sections of the community.

(*g*) To exercise emergency powers in case of abuse of authority by the local bodies or their office bearers as also in other cases in accordance with the provisions of law."[35]

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[34] *See* P. R. Dubhashi, "Leadership Role of the Collector", *The Indian Journal of Public Administration*, Vol. XI, No. 3, July-September, 1965, p. 621.

[35] *See* Government of India, Ministry of Community Development and Panchayati Raj, *Annual Conference on Community Development and Conference of State Ministers of Community Development and Panchayati Raj at Hyderabad*, July, 1961, New Delhi, 1961, p. 177.

Consisting of ministers and key officials of development departments, the conference looked at the whole question from the point of view of what it felt could be translated into practice under the circumstances. It wanted the District Officer to continue to be the representative of government, the guardian of law and order, the promoter, helper and mentor of the Panchayati Raj institutions, and the supplier of adequate technical support and facilities to the district-level officers. Once this is accepted, it becomes evident that the District Officer can discharge this responsibility only when he is either outside the Panchayati Raj organization or a permanent invitee to or a non-voting member of the zila parishad or the panchayat samitis, rather than when he is the chief executive officer of the former. The question, therefore, that deserves careful examination, from the practical point of view, is the extent to which the District Officer should exercise supervisory powers over the legally elected representatives bodies in the district.[26]

It is generally agreed that an officer subordinate to the zila parishad as its chief executive officer cannot discharge his duty as representative of government and as guide and adviser of the Panchayati Raj bodies. With a double accountability, he will tend to be more loyal to one or the other. He cannot, for instance, exercise his law and order duty independently, or perform other duties prescribed by the state government without being a suspect in the eyes of the zila parishad. Also, if the District Officer becomes subordinate to the zila parishad, the state government will be left without an independent observer on the district scene who can report objectively on the progress of development work and on the operation of local government. He will find himself in an embarrassing situation inasmuch as he will have to divide the responsibility between local government and local administration. As the Maharashtra Committee has commented: "While reporting to Government on any matter and in carrying out its directions issued by virtue of its controlling powers, he will constantly be in a dilemma as to whether he should act on his independent judgement or take the Council (*i.e.*, zila parishad) in his confidence. His position will become particularly difficult in matters where there is a difference of opinion between the Government and the Council.... It will be extremely difficult for him to divide his loyalty into compartments and show different personalities at different times according to the authority under which he is operating."[27]

[26] In this connection, *see* also the recommendations of Bihar Government, Local Self-Government Department, *Report of the Committee Constituted by the State Government to Consider the Future Set-up of District Boards in Bihar*, Patna, Government Secretariat, 1958, pp. 18-22.

[27] Government of Maharashtra, Co-operation and Rural Development Department,

The suggestion that the District Officer should remain outside the Panchayati Raj institutions emanates from one more consideration. It is said that, as an official, he has no place in a purely non-official and elective body. He should rather function as an agent of the state government reporting it on the activities of these bodies in the same manner as he did on those of the district boards formerly. But this is countered on the ground that the association of the District Officer with the working of the zila parishad and panchayat samiti will be of mutual advantage to both. It is maintained that his complete separation, as has been recommended by the Maharashtra Committee on Democratic Decentralization,[38] from the work of the Panchayati Raj institutions, except the obligations of the chief executive officer of the zila parishad, or those of block development officers, to keep him informed, will amount to his virtual removal from the main stream of development efforts in the district. It is difficult to see in what manner he can watch the work of the zila parishad or the panchayat samiti unless he has a right to sit and watch their deliberations, and even participate in them, whenever he thinks it necessary. The intention of the Third Five Year Plan that the District Officer should assist the Panchayati Raj institutions in developing "the right conventions in the day-to-day work"[39] would never be realized. In fact, his report to the government would not be realistic in the absence of detailed background knowledge of the working of these institutions.

It is even doubted whether he can effectively discharge his revenue and magisterial functions if he is isolated from such centres of intense political activities in the countryside as the zila parishad and the panchayat samiti, since the strength of his office has lain all these years in the close contacts he maintains with the public mind in his district. In fact, his separation, it is believed, from these institutions may mark the beginning of the end of this institution itself. Besides, from the point of view of the Panchayati Raj institutions as well, this arrangement seems most likely to deprive them of the advice of a mature, experienced and detached official, whose only motive is to promote the interests of his district. If he is associated with these institutions, he may, by persuasion and unbiased argument, patch up differences of opinion in regard to matters of policy and those of execution, should things so warrant, and can make effective representation to the government on behalf of these bodies.

Report of Committee on Democratic Decentralisation, Bombay, 1961, p. 102. This is also known as the *Naik Committee* after the name of its chairman.

[38] *Ibid.*

[39] Government of India, Planning Commission, *Third Five Year Plan* New Delhi, Manager of Publications, 1961, p. 340.

VI

The balance of advantage seems to lie in having an arrangement under which the District Officer, while retaining close touch with the Panchayati Raj institutions, is allowed to function as an independent agent of the state government in the district. He may or may not be a regular voting member of the zila parishad and panchayat samiti. But he should be entitled to attend their meetings or the meetings of their sub-committees, whenever he deems it necessary. His role in relation to the zila parishad should involve periodical and informal discussions of the affairs of the zila parishad with its chairman and leading members and with the senior officers of the development departments in the district. It should be the duty of the chief executive officer of the zila parishad to keep the District Officer regularly informed of the intentions and actions of the zila parishad and to avail himself of his advice. It should also be possible for the chairman of the zila parishad and the District Officer to meet at least twice a month or even more frequently, if possible, and discuss matters relating to the development of the district with special reference to the activities of the zila parishad. It would be from such consultations and deliberations that the District Officer would be able to know when to offer general advice to the zila parishad by being present in its meetings. It is clear that whatever his relationship with the new local bodies in the district might be, it must be materially different from what it used to be with the district board. "Assistance, Guidance and Advice from within" and not (as was the case with the district board) "Control and Direction from without" should be the governing motto of the new relationship. "Assistance, Guidance and Advice from within" should not necessarily mean that he should attend each and every meeting of the zila parishad regularly. He should not, in fact, do this, except when his presence is necessary, *e.g.*, when it is necessary in the interest of public order and good administration that he should advise the whole zila parishad on specific matters.

The future of the District Officer is surrounded by a mist of uncertainty. Through the mist, two schools of thought are discernible. The one regards the District Officer as a "scaffolding" which is employed when building is in progress, but which must be dispensed with once the building has been completed. This school is prepared to make use of the institution of the District Officer in the building up of the Panchayati Raj institutions into vigorous and active centres of local government. It visualizes that in near future almost all the activities of the government in the district will be transferred to the zila parishad, panchayat samiti and village panchayats, and once

this is achieved, a functionary of the status and training of the District Officer will not be needed. Instead, the chief executive officer of the zila parishad will become the key functionary in the district. The other school of thought holds that even with the establishment of a full-fledged Panchayati Raj system, the District Officer as an accustomed and trusted institution and as a residuary legates of all undemarcated functions of government must continue, though he will no longer be "the final arbiter"[40] of issues concerning local bodies. His future role seems to be in "co-ordination" and not in administration.[41] Co-ordination, in particular, will involve in this case "striking a balance between the development of the Panchayati Raj system as an institution capable of balanced decision making. . .and the need to ensure that the system is implementing state policies and programmes efficiently and maintaining and even improving the standards laid down by the technical departments".[42] Nevertheless, it seems quite probable that the successful working of the Panchayati Raj system over a period of ten or fifteen years will tend to render the District Officer less essential to the system.[43]

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[40] A United Nations report aptly notes that in India, questions relating to the future role of the District Officer are of great concern, the answers to some being: (*a*) he will not be "the final arbiter" of issues in his area . . ., (*b*) he "cannot serve as chairman of the local authority", (*c*) he should continue to serve as "the eyes and ears of government" at the local level . ., (*d*) he can perform certain functions, such as administration of elections, etc., and (*e*) he should "lubricate" relations among technical services and between the latter and local authorities. See *Decentralisation for National and Local Development*, *op. cit.*, p. 53.

[41] *See* Harold F. Alederfer, *Local Government in Developing Countries*, New York, McGraw Hill Co., 1964, p. 183.

[42] *See* S. Chakravarti, "Community Development, Planning and Administration at Local Level in India", *Journal of Local Administration Overseas*, Vol. II, No. 1, 1963, p. 221.

[43] For a detailed discussion on this point, *see* an unpublished Ph. D. thesis of Haridwar Rai, *The District Officer in Bihar*, Patna, Patna University, 1965, Chapter 6 and 8.

NEW PATTERN OF DISTRICT ADMINISTRATION IN ANDHRA PRADESH*

Ram K. Vepa

IT is commonly recognized that the administration at the district and sub-district levels forms the pivot of the entire framework of administration of the country. Increasing recognition has been accorded in recent years to the need for an effective administrative structure at these levels. The V. T. Krishnamachari report on district administration some years back and the numerous state reports on the problems of district administration testify to this fact. The Administrative Reforms Commission has also given considerable thought to the need for reorganization of district administration. With the implementation aspect of the Plan projects becoming increasingly important, it is only natural that the pattern of administration at the district level should figure prominently in all discussions of Administrative Reforms.

IMPACT OF PANCHAYATI RAJ SYSTEM

There has, however, been a significant development in the last ten years which has made a considerable impact on traditional district administration. The system of elected leadership at the village, block and district levels embodied in the Panchayati Raj pattern has made a significant impact on the effectiveness of district administration. Panchayati Raj has introduced a new element in district administration; since 1959 when Rajasthan and Andhra Pradesh first introduced the Panchayati Raj system, it has practically spread all over the country in some form or the other. Although local self-government has had a long history in India beginning with Lord Ripon, there is a significant difference between the old taluka and district boards and the newer Panchayat Samitis and Zila Parishads set up under the Panchayati Raj pattern. While the former institutions were largely meant to train local leadership who operated in a narrow framework, the newer institutions, such as the Panchayat Samitis and Zila Parishads are conceived as integral parts of development administration.

Basically the Panchayati Raj pattern is similar in almost all the

*Review Article based on M. T. Raju Committee Report.

States: at the village level there is an elected body known as Panchayat which is presided over by a Sarpanch who has executive powers of administration. At the block (and in some cases the taluka levels) there is another body commonly known as the Panchayat Samiti which is organically related to the Panchayat by the Sarpanch being automatically a member of the Panchayat Samiti. The executive functions at the Samiti level are handled by Block Development Officer (drawn mostly from the revenue department) and a team of officials who are to implement the resolutions of the Panchayat Samiti. At the district level there is a Zila Parishad consisting of all the presidents of the Panchayat Samitis as well as the Members of the Legislature presided over by a non-official elected chairman. The Secretary of the Zila Parishad who is from the permanent official cadre, supervises the implementation of the resolutions passed by the Zila Parishads.

ROLE OF THE DISTRICT COLLECTOR

Although there are minor variations in the Panchayati Raj pattern at the block and village levels, the most significant difference in the pattern is at the District level and particularly with regard to the role of the District Collector (or the Deputy Commissioner as he is called in some States). In fact, the role of the Collector in the Panchayati Raj pattern has been a hardy annual at all meetings of the Development Commissioners year after year. One might particularly note the role allotted to the Collector in three significant variations of the pattern. In Madras, the District Development Council (as the Zila Parishad is called in that State) is purely an advisory body and is presided over by the Collector as, in fact, was originally envisaged in the Balwant Rai Mehta report on democratic decentralization which initiated the Panchayati Raj system. In Andhra Pradesh, the Collector is a member of the Zila Parishad and is also the chairman of all the standing committees where executive decisions are to be taken. In Maharashtra, on the other hand, there has recently been a trend to keep the Collector completely out of the Zila Parishad and to function merely as an observer at the district level. An equal ranking officer from the Indian Administrative Service has, however, been provided to the Zila Parishads to function as its chief executive officer and to supervise the implementation of the development plans at the district level. It is significant that while in Andhra Pradesh a few executive functions, such as secondary education, major communications, etc., have been allotted to the Zila Parishad, the Zila Parishads in Maharashtra have been made responsible for the entire spectrum of development effort.

Although not enough time has lapsed to evaluate the performance of varying patterns of the Panchayati Raj system at the district level, it is apparent that each of these suffers from some defect or other. In Madras, for instance, the complete absence of executive functions to the District Development Council reduces that body to ineffectiveness and makes the Collector more or less independent of its decisions. While this may contribute to speed and even efficiency, it is to be recognized that the democratic element which is sought to be introduced through Panchayati Raj is significantly absent in such an arrangement. If local leadership is to be developed, the Madras pattern does not provide any method by which this could be done. On the other hand, in the Maharashtra pattern the role of the Collector is completely reduced and one wonders whether in course of time the institution of the Collector itself will wither away. With a de-emphasis on the revenue and agricultural functions at the district level (except in sporadic cases of disturbances) the role of the Collector as a representative of the government is likely to be more ceremonial than functional. The chief executive officer of the Zila Parishad would in effect operate as the development head of the district; whether this system of two functionaries of equal rank at the district level is desirable or not is somewhat debatable. A cardinal principle of the traditional system introduced two centuries ago at the district level is the unity of command and much of the success of that pattern can be attributed to this principle. It is, therefore, doubtful whether the Maharashtra system of having two functionaries at the district level would in practice work smoothly, particularly in the case of emergency, as is arising more often in recent years. The Andhra Pradesh system has worked reasonably well although the relative roles of the Collector and Zila Parishad Chairman are somewhat delicately balanced. There have been instances where friction has developed between these two in some districts, but much depends upon the personal adjustments each would make towards the other.

RAJU COMMITTEE REPORT

In view of the considerable dissatisfaction amongst the public as to the implementation of the Plan schemes, the Government of Andhra Pradesh appointed in April 1967, a Committee with Shri M. T. Raju, then first member, Board of Revenue (and currently, Chief Secretary to Government of Andhra Pradesh) as chairman to devise methods by which the implementation of plan schemes could be more effectively done at the district level. The committee, in almost record time, submitted a report to the government outlining completely a new pattern of district administration, which was discussed at various

conferences both of the collectors and chairmen, Zila Parishads as well of the leading officials and non-officials at the state level. After a considerable debate, the Government of Andhra Pradesh have recently decided (in November, 1967) to accept the recommendations of the Raju Committee Report and are proposing to implement them shortly. In view of the considerable significance that is attached to the recommendations made in this report, it is proposed to outline them briefly and to discuss them in the rest of the article. It is somewhat significant that at a recent seminar held at Hyderabad by the Andhra Pradesh Regional Branch of the Indian Institute of Public Administration and attended to by the Regional Branches of Madras, Mysore, Kerala and Maharashtra, the recommendations of this report evoked keen interest and considerable discussion.

The relevant extracts of the government order embodying the recommendations of the Raju Report are given in the Appendix (p. 112). The main features of the report, however, are the formation of a Zila Development Board for each district, which shall consist of the District Collector as Chairman and the Chairman, Zila Parishad as a member. For the present, the Secretary, Zila Parishad (who is a Revenue Officer of the rank of a Deputy Collector) will function as Secretary of the Board. The Zila Development Board will be responsible for the overall economic growth of the district and will formulate as well as implement the programmes designed to secure such growth and in particular programmes connected with agricultural and industrial production. At the beginning of each year the Board will prepare a draft district plan incorporating agricultural and industrial production programme for the year based on the allotments made available to it by the various state heads of departments. The Board has also been given power to re-allocate the budgetary provisions under the same head, exercising the powers of the head of the department.

The district plan shall broadly consist of an estimate of the additional production of agricultural and industrial products, time schedule for their execution, and the period within the additional anticipated production is likely to materialize. The plan is to be placed before the Zila Parishads and after its approval will be implemented by the various departments at the district level. The Board is expected to meet at least once in a month (and oftener as may be necessary) to review the progress of implementation of the district plans in the light of the inspection reports submitted by the district officers and the revenue divisional officers.

The implementation of some of the schemes would continue to be

undertaken by the Zila Parishads and Panchayat Samitis in such fields as education, communications, health and social welfare. Schemes relating to agricultural production and industrial growth which at present lie normally outside these bodies have, however, been brought under the purview of the Zila Development Board. The Board has, therefore, a co-ordinated view of the entire development plan of the district which is now fragmented between the Zila Parishads, Panchayat Samitis as well as the various departments at the district level.

To ensure effective implementation of the integrated district plans, the agriculture, irrigation, co-operation, Panchayati Raj, and industries departments have been placed directly under the Collector at the district level. Suitable financial and administrative powers now being exercised by the heads of departments are being delegated to the Collectors, to whom the present district officers of these departments will function as Personal Assistants.

To relieve the Collector of revenue, civil supplies and other matters which at present take up a considerable portion of his time, posts of District Revenue Officers have been created to be manned by IAS officers working under the administrative control of the Collector. At the sub-Divisional level the Revenue Divisional Officer has been placed directly in the picture for the effective implementation of the listrict plans in respect of the blocks within his jurisdiction. He shall ittend meetings of the Panchayat Samitis and shall send frequent eports to the Zila Development Board on the implementation of the arious plans in his sub-division.

At the state level, a State-level Development Board has been onstituted with the Chief Secretary (who is also the Development Commissioner) as Chairman. Members of the Board of Revenue, ecretaries to Government in the P.W.D., Agriculture, Panchayati aj, Industries and Finance as well as heads of departments connected vith the plan schemes as Members. It is the State Development Board hat will be responsible for supervision of the implementation of the istrict plans. The members of the Development Board are expected o tour the districts extensively and inspect as many works as possible. 'he Board also would meet at different district headquarters so as to btain a first-hand knowledge of the implementation of these schenes.

DISCUSSION

It is interesting to highlight some of the important points of difrence in the framework of district administration envisaged in the aju Committee Report as compared to what is existing at present.

(1) For the first time, the Raju Committee Report breaks new ground in formally assigning a key role to the Collector in the development administration. In recent years, there has been considerable speculation as to whether the post of Collector was still necessary and in some states like Maharashtra the Collector has been reduced to a complete non-entity as far as development work is concerned. The Raju Report brings back the Collector right into the centre of the picture and makes him in fact a key functionary in the entire pattern of development administration.

(2) The Report harmonizes the traditional pattern of administration at the district level which has operated for two centuries with the new Panchayati Raj pattern. It is significant that the Chairman of the Zila Parishad is the only other member of the Zila Development Board where his views would naturally carry greater weight in the decisions of the Board. It is also significant that no powers at present being exercised by the Zila Parishad or the Panchayat Samitis have been taken away from them, and that a new institution has been created to supplement their efforts in the district.

(3) The emphasis in the Raju Report is on *implementation* of plans since it has been recognized (and widely accepted) that a basic weakness of the present system is poor implementation rather than formulation. It is, therefore, significant that a much greater responsibility has been placed on the Collector and the team of officials on the proper implementation of the plans once a broad approval of the plan has been given by the Zila Parishad. The frequent review of the implementation by the District Development Board and the State-level Board would serve to pin-point any administrative weaknesses which could be remedied immediately. In this respect the Andhra Pradesh scheme corresponds closely to the pattern of community development administration which is being practised with much success in Malaysia where each district headquarter has a complete statistics of the plans and target of achievements in the district which are reviewed by the minister concerned through frequent visits to the headquarters. It is, therefore, considered that the recommendations of the Raju Committee Report would certainly focus greater attention on the need for better implementation of the existing plans.

At the recent seminar at Hyderabad (to which a reference has been made earlier) some doubts were expressed on the framework conceived in the Raju Committee Report. It was suggested whether it would not be desirable to leave the powers of the Collector somewhat vague and indefinite as at present and let him work out through

conventions a role for himself in the development administration rather than lay down any formal scheme of control. While there may be some validity in this approach, it was recognized that in view of the important tasks to be done in the near future, it would be undesirable to leave them merely to conventions which would largely depend upon the personality of the Collector. In view of the need for a rapid economic growth at the district level, it was felt that a more formal framework should be established in which the Collector and his team of officers are given greater powers and their performance assessed in the light of that responsibility.

Another apprehension which was expressed was whether the Collector could function as a head of the department at the district level and if so, whether he would be a subordinate to the head of the department. It was also felt that the heads of departments themselves might feel less committed to the implementation of the plans in view of the greater role being allotted to the Collector at the district level. It was, however, explained that there was no inherent conflict in the role of head of department and that of Collector. In fact, if an *ex-officio* status were accorded to the Head of the Department as is being contemplated in most of the states, there would be nothing anomalous in the work of the Collector being assessed by the Head of the Department who is normally expected to be senior to the Collector in service. In any case, the Head of the Department operates at the state level making provision of funds and keeping an overall perspective of the working of the department at the state level while the Collector's work would be confined to that of the district. In fact, the Collector would be a supplemental agency of the Head of the Department in achieving the targets allotted to each department of the state.

A third doubt was expressed whether the Panchayati Raj institutions would reconcile themselves to the setting up of a new institution at the district level, which might take away something of their prestige. As has been mentioned earlier, no power now being exercised by the Zila Parishads and Panchayat Samitis has been taken away from them. The constitution of a Zila Development Board which is purely an executive committee was merely to bring a measure of co-ordination with the entire development plans which is at present lacking since some of them are implemented through the Panchayati Raj institutions and others through government departments. The membership of the Chairman, Zila Parishad in the Development Board would, in fact, enhance the prestige of the Zila Parishad as a whole and is was felt that a more effective implementation of the plans would,

in the ultimate analysis, bring credit to the Panchayati Raj institutions. In fact, much of the criticism now being made against the Panchayati Raj bodies would perhaps diminish if there were a more effective implementation of the development plans and to that extent it was felt the success of the Panchayati Raj pattern was likely to be enhanced rather than affected by a more effective framework being provided at the district level.

CONCLUSION

The consensus at the Hyderabad seminar was that the new system of administration envisaged in the Raju Committee Report marked a radical departure from recent trends and was more in tune with the pattern of administration that had existed so long. However, it may be watched and assessed after sometime after which it could well be adopted by many other states. It was also felt that a success of such a system would depend largely upon the personnel concerned and particularly on the type of Collectors posted to the districts. It was felt that these should be of sufficient maturity in age and seniority in service to be able to lead the team of officials at the district level. It was suggested that at least a ten-year seniority might normally be considered for a District Collector who should bring to his office not merely sympathy with popular aspirations, but also administrative efficiency and an enthusiasm to get the work done. It was also considered that a person once posted should be retained for at least three years to be able to function with some effectiveness. With the right type of personnel manning these posts, it was felt that there was no reason why a scheme of administration envisaged in the Raju Committee Report should not succeed. In the last analysis it is administration at the district and sub-district levels that is closest to the people, and any success achieved at these levels in better administration would ensure better returns on the considerable expenditure being incurred on development effort and consequently generate greater public enthusiasm for the plans.

APPENDIX

Reorganized Pattern of District Administration*

There shall be a Zila Development Board for each district which shall be constituted as follows :

1. District Collector *Chairman*
2. Chairman, Zila Parishad

For the present, the Secretary, Zila Parishad shall serve as Secretary of the Board.

*Extract from the order issued by the Government of Andhra Pradesh on November 3, 1967.

The Zila Development Board shall be responsible for the economic growth of the district. It will be the task of the Board to formulate and implement programmes designed to secure the economic growth of the district and in particular programmes connected with agricultural and industrial production. These programmes will include irrigation, power, animal husbandry, fisheries, co-operation and marketing.

FORMULATION OF THE DISTRICT PLAN

The state heads of departments concerned with schemes relating to agricultural and industrial production including irrigation, minor irrigation and rural electrification shall, within 15 days of the budget allotments being made for them, furnish to the Collector of each district a list of schemes, both plan and non-plan, intended to be taken up in that district during the year. The district heads of departments will simultaneously furnish to the Collector their proposals for utilization of the growth potential available within the district for which no budgetary provision as such is necessary. The Panchayat Samitis shall also simultaneously furnish to the Collector plans pertaining to agricultural and industrial production which are to be financed from their own funds. The Collector shall convene a meeting of the Zila Development Board to which the district heads of departments concerned shall also be invited. The Board will examine the production potentialities of each of these schemes and fix targets of production which are to be achieved under these schemes during the year. The Board will thus prepare a draft Integrated Agricultural and Industrial Production Plan for the year calculated to secure maximum production with the available resources (referred to as the District Plan hereafter). For this purpose, the Board shall have powers to re-allocate the budgetary provisions under the same head exercising the powers of a Head of Department.

The draft District Plan so prepared shall be placed before the Zila Parishad for its approval.

Any new scheme related to economic growth formulated hereafter by any department shall contain an estimate of :

(1) Additional production of agricultural and industrial products as the case may be;

(2) Time schedule for the execution of the scheme; and

(3) The period within which the anticipated additional production will materialize.

Every such scheme shall be referred to the Zila Development Board which will examine the estimate aforesaid of the additional production envisaged and the anticipated period of its materialization. Only in the light of the commitment that the Board will undertake in regard to the prospects of additional production will the accord of sanction for such schemes be considered.

IMPLEMENTATION

It shall be the responsibility of the Zila Development Board to implement the district plan and achieve the targets envisaged under it. The Board

shall meet once a month and as oftener as may be necessary to review the progress of implementation of the district plan in the light of the inspection reports submitted by the district officers and revenue divisional officers. The Board will report to the State Board of Development, proposed to be constituted, every quarter the progress of the execution of the plan, marking copies of relevant extracts to the concerned heads of department. This progress report will also be laid before the Zila Parishad. At the end of the year the Zila Development Board shall submit a report to the State Board indicating the economic growth achieved and explaining the short-falls, if any, and the reasons therefor. The State Board will submit an annual report to government reviewing the economic growth achieved in each of the district.

PARISHAD AND SAMITI LEVEL

Of the various fields of activity undertaken by the Zila Parishad and the Panchayat Samitis, those relating to education, communications and amenities programmes like health and social welfare account for most of their budget provisions. These subjects fall outside the purview of the Zila Development Board. The only schemes which fall within the purview of the district plan will be schemes relating to agricultural and industrial production. Even these will continue to be administered by them in the same manner as hithertofore. The Zila Development Board will be concerned with these schemes only for the purpose of securing their integration in the district plan and for their implementation according to the time schedule. The Zila Parishads and the Panchayat Samitis will be responsible for implementation of the schemes included in the district plan falling within their purview.

ADMINISTRATIVE CHANGES

In order to ensure efficient implementation of the integrated district plans, the following departments will be brought within the purview of these orders at the district level : (1) agriculture, (2) irrigation, (3) co-operation, (4) Panchayati Raj, and (5) industries. The Collector shall be the head of each of these departments in the district, except irrigation. In order to enable the Collector to discharge his duties effectively in the reorganized set-up, the Committee has given its recommendations in its report on May 20, 1967 about : (1) the financial and other powers to be delegated to the Collectors; and (2) the reorganized set-up of the departments at the district level.

The recommendations of the Committee on both these aspects have been accepted by the government. Formal orders delegating the powers to the Collectors in accordance with (1) above will be issued by the concerned departments of the Secretariat.

The following shall be the administrative set-up at the district level in respect of the departments mentioned above :

(1) *Co-operative Department*

One additional post of Special Category Deputy Registrar in the scale of Rs. 600-50-1,000 is sanctioned for each district. The Special Category

Deputy Registrar of Co-operative Societies will work under the administrative control of the Collector and will function as P.A. to Collector. The posts of Regional Joint Registrars will be abolished with effect from the date the Special Category Deputy Registrars of Cooperative Societies are appointed.

(2) *Agriculture Department*

There shall be one Deputy Director of Agriculture for each district. At present there are already 11 Deputy Directors of Agriculture. Nine posts of Deputy Directors of Agriculture are, therefore, sanctioned to provide for the posting of one Deputy Director of Agriculture for each district. The Deputy Director of Agriculture will also function as P.A. to the Collector. The expenditure on this account shall be met from the savings under the I.A.A.P. and I.A.D.P. schemes.

(3) *Industries Department*

The Assistant Director of Industries already existing in each district will work under the administrative control of the Collector. The Regional Offices of the Joint Directors of Industries will be abolished and the Joint Directors will be transferred to the Headquarters Directorate of Industries, and will function on a state-wide basis as subject-matter specialists.

(4) *Irrigation*

In the case of irrigation, the Executive Engineer (Irrigation) shall be under the administrative control of the Collector : (*a*) in respect of the execution of sanctioned works included in the district plan; and (*b*) in respect of items which are within the competence of the Executive Engineer and for which concurrence of the Collector is required under existing orders.

(5) *Other Departments*

The other district heads shall carry out such directions as may be issued by the Collector from time to time in regard to the implementation of the schemes included in the district plan.

(6) *Revenue Administration in the Districts*

In order to relieve the Collector of the revenue and civil supplies work, so as to enable him to devote himself entirely to development work, the Government agree with the recommendations of the Committee and sanction one post of District Revenue Officer, in the senior time scale of the I.A.S. for each district. The district Revenue Officer will work under the administrative control of the Collector.

Formal orders regarding the posting of Special Category Deputy Registrars and Deputy Directors of Agriculture will be issued by the Food & Agriculture Department. Separate orders will be issued by the General Administration (Special) Department regarding the posting of District Revenue Officers.

(7) Divisional Level

The Revenue Divisional Officer will be responsible for the supervision and effective implementation of the District Plan in respect of Blocks within his jurisdiction. He shall be the reviewing and evaluating authority in respect of schemes included in the plan which fall within his division. He should make frequent field inspections, locate bottlenecks and see that action is taken for these being removed. He shall send inspection reports of the Collector so that the Zila Development Board may be apprised of the progress of the schemes. The Revenue Divisional Officer shall attend the meetings of the Panchayat Samitis and staff meetings of the Blocks in his jurisdiction. The district heads will furnish to the Revenue Divisional Officer from time to time their notes of inspection on the work of their field staff in relation to their schemes within his Division.

STATE LEVEL

There shall be a Development Board at the State level which shall be constituted as follows :

(1)	Chief Secretary & Development Commissioner	Chairman
(2)	Members, Board of Revenue for Irrigation & Ayacut Development.	Members
(3)	Special Secretary to Government, Public Works Department	Member
(4)	Special Secretary to Government, Food & Agriculture Department	Member
(5)	Special Secretary to Government & Commissioner, Panchayati Raj	Member
(6)	Secretary to Government, Industries Department	Member
(7)	Secretary to Government, Finance Department	Member
(8)	Director of Agriculture	Member
(9)	Registrar of Cooperative Societies	Member
(10)	Director of Industries	Member
(11)	Chief Engineer (General)	Member
(12)	Joint Secretary to Government, Planning Department	Member-Secretary

The State Development Board will be responsible for supervising the proper implementation of the district plans. It will also review the progress of the various district plans. The members will tour intensively in the districts and inspect as many works as possible. The Board itself could meet in different districts by turns.

The State Development Board will be responsible not merely for the district plans but also for other Plan schemes relating to agricultural and industrial production.

THEORY AND PRACTICE OF OFFICER-ORIENTED SYSTEM IN INDIA

S. R. Maheshwari

A CHARACTERISTIC feature of Indian administration has been the preponderance of staff at lower levels and a comparatively small number of officers. Worse than this, there have been, as Sir Richard Tottenham had pointed out in 1946, too few officers of the right kind and too many clerks of the wrong kind. The officers constitute what may be called the decision-making level, while the staff is the 'noting' level.

The present style of functioning in the secretariat—Central as well as State—may briefly be described to highlight the deficiencies and shortcomings of the existing arrangement. A receipt is first handled by the dealing clerks and assistant who examine it in the light of existing rules, orders and precedents, and note upon it, suggesting proposals for disposal. The case is put up to the Section Officer who scrutinizes these notes and even suggests the line on which proposals for disposal should be made. The Section Officer, then, puts up the case to the next higher level, *i.e.*, Under-Secretary or Assistant Secretary. It (depending on its nature) then progresses step by step the entire hierarchy of deputy secretary, joint secretary (if there is one) and secretary.

As a direct result of this system there are prolific notings on files and, secondly, a file is made to pass through a large number of hierarchical levels for a final decision. This entails three serious drawbacks. First, persons write who have no business to write; secondly, inordinate delay occurs before a decision is taken; and thirdly, in the maze of diverse notinges, the original purpose outlined in the case tends to get overlooked and even obscured. The remedy lies in cutting down unnecessary notings on the files, and in minimizing the number of hierarchical levels through which a file is made to pass before a decision on the issue under consideration is taken. This is to be secured by establishing 'officer-oriented' system of staffing, which implies a pattern of staffing where bulk of the work is done by officers, with the

office (*i.e.*, the clerical staff) providing the minimal assistance in respect of purely routine procedural matters like indexing, filing, etc.

Other major factors which have led to an intensification of the demand for officer-oriented system are the following:

(*i*) This is the system which is in vogue in the progressive countries of the world.

(*ii*) Pakistan introduced this system known as Section Officers' Scheme[1]—in 1959, which has led to the elimination of much red tape, such as routine notings on files and submission of

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[1] The Section Officers' Scheme has been introduced in Pakistan Central Secretariat since October 1959. According to the scheme each secretariat branch has been reconstituted into 2 sections, each under the charge of a section officer. The Section Officer combines the duties previously performed by the branch officer, the superintendent and the dealing assistant. The formula of conversion has not been applied too rigidly and in certain instances the work has been so redistributed as to formulate 3 sections out of branches or even one section out of one branch.

The Section Officers are of the rank of under assistant secretary and are assisted by one assistant and one stenotypist each. The assistant is responsible for: (*a*) putting up the cases, properly referenced and flagged, to the section officer; (*b*) keeping notes of important orders and decisions; and (*c*) any other clerical duties assigned to him (he is not supposed to note on cases or to put up drafts).

About 6-8 Section Officers have been placed under the control of one deputy secretary but this formula too has not been very rigidly applied

The initial method of recruitment of section officers has been as follows:

(1) All Assistant Secretaries and Under Secretaries have been redesignated as Section Officers. Some Section Officers have been selected from amongst the class I officers employed in the Central Secretariat, its attached departments and subordinate officers.

(2) Selections for the remaining posts have been made by the central selection board, subject to the approval of the federal public service commission from amongst: (*i*) Superintendents of the Central Secretariat, (*ii*) Assistants-in-charge, and (*iii*) Assistants.

Section Officers thus selected have been placed on a common seniority roster drawn up for the secretariat as a whole.

For the future it has been decided that the posts of Section Officers faling vacant should be filled in the following manner : (*i*) 40 per cent from officers of the Central Service of Pakistan or other superior services and the provincial civil services, (*ii*) 10 per cent by promotions from amongst the assistants of the central secretariat (stenographers being entitled to 1 10 of this 10 per cent); the selection has to be made by the central selection board and approved by the public service commission, and (*iii*) Remaining 50 per cent to be filled by direct recruitment on the basis of a competitive examination to be held by the public service commission Government servants who are graduates and are below the age of 35 years, are eligible.

Directly recruited Section Officers have been placed in the scale of Rs 300-25-500-30-530 EB 560-30-770-40-850. A selection grade with the scale of Rs 1000-50-1250 has been provided for the directly recruited Section Officers. Six per cent of the directly recruited Section Officers, subject to merit and seniority, will be given the selection grade.

The following types of branches have been excluded from the operation of the scheme. (*i*) receipt & issue branches; (*ii*) cash and accounts branches, and (*iii*) branches dealing with statistics.

The scheme was announced on 5 August 1959 and was implemented on 10 October 1959.

drafts by clerks and assistants, and shelving of responsibility. Pakistan's switch-over to officer-oriented system has acted as a proof of its feasibility in India as well.

(*iii*) The exasperation, even humiliation, felt by the Heads of Departments with the prevailing system under which their well-considered proposals are subjected to the scrutiny of clerks and assistants in the secretariat.

(*iv*) Work of the government has become complex, requiring specialized and more thorough handling, thus, beyond the comprehension of clerks and assistants. It has become essential, therefore, that an officer's mind is brought to bear on a problem from the beginning.

(*v*) A marked deterioration in the quality of noting at lower levels which in most cases today are not fit to handle important cases and, have, consequently, no contribution to make beyond paraphrasing the proposal or raising some insipid queries, thereby causing avoidable delay in the disposal of cases.

(*vi*) Increasing politicization of the civil services at the lower levels, manifesting itself into frequent recourse to pen-down strike, mass leave, public demonstration, general strike, etc. As a result of this the government has been forced to feel it not safe to place much reliance on the personnel at the clerical level.

(*vii*) The apparent efficiency of business and commercial undertaking which have the officer-oriented system of functioning.

MEANING OF THE SYSTEM

The officer-oriented system is known by a variety of names in the country. Until some years ago, this was known as the "Whitehall System"—being in vogue at Whitehall, the headquarters of the British Government. In Rajasthan it is known as "Cell System". The Punjab Administrative Reforms Commission (1966) coined the name 'Action-oriented System' for it. It is known as 'Attache System' in the Ministry of External Affairs, and as 'Pilot System' in the Ministry of Defence. The most widely used nomenclature, however, is the *officer-oriented system*. One may argue that this is not a very happy term; on the one hand, it implies complete passivity and inertness of officers under the conventional system, and, on the other, it raises

unnecessary fears in the minds of clerical personnel about the stability of their career.

The officer-oriented system is one in which the initial consideration of a proposal is at the hands of an officer rather than of 'office', *i.e.*, clerks and assistants. The diarist in the Section operating under this system puts up a paper *immediately* to the officer concerned. The latter issues appropriate direction, and the reference clerk/stenographer who is attached to him puts up the relevant file to him, after docketing and referencing. The first noting in respect of the paper is, as a rule, done by the officer himself and in case the paper is such as can be disposed of at his level, he, of course, dictates the reply. The cases, final disposal of which is not within his administrative competence, are to be put up to the appropriate officer. There are certain general principles which underline the officer-oriented system. It seeks to do away with routine notings and drafting by clerks and assistants. That is to say, it replaces the system of dealing by clerks and assistants by a system of dealing by officers. It must be well understood that, contrary to popular notion, the clerical assistance is not entirely dispensed with; it is, however, provided for purely routine duties like receipt, despatch, docketing, referencing, maintenance of files and typing. It has, thus, a rationality behind it, for an individual is assigned the kind of work for which he has been hired. Further, it eliminates the multiplicity of hierarchical levels through which a paper has to pass before final disposal and thus materially shortens the procedural course of disposal. Ideally, the officer who initially handles the paper should also be empowered to take decision in cases of appropriate categories at his own level. At any rate, however, there should not be more than three levels of consideration. And, lastly, it facilitates fixing of responsibility for delay in the disposal of cases with the officers as well as the office.

II

HISTORY OF THE SYSTEM IN CENTRAL GOVERNMENT

Historically, the concept of officer-oriented system is not new in India. As early as 1944 E.C. Coates noted that the administrative machine in the Central Secretariat had broken down and cried for reorganization and reinforcement so as to cope effectively with the emergent administrative tasks. "It is evident", he remarked in a paper submitted to the then Finance Member and, through him, to the Governor-General, "that the institution of 'office' must be abolished". To carry out a detailed examination of the question of replacing "office" by officer, a *Committee of Secretaries* was set up in the same year (1944)

under the chairmanship of E. Conran-Smith. This committee was in full agreement with the views of Coates and observed:

"The general lay-out of the new type of office would be the requisite number of, say five or six, class I officers headed by an assistant secretary who would correspond to the assistant secretary in the Home Service and not to the assistant secretary in this country. They would deal with the vast majority of cases themselves and would carry on negotiations with their opposite numbers in other departments in order to obtain the information necessary for a decision. Important questions of policy would be referred by the assistant secretary to the deputy secretary in charge of a group of sections and by him, if necessary, to the secretary who would cease to be a febrile file fumbler and become, as he is at Home, a sort of elder statesman."

The concept, however, was shelved[2] in the face of sustained opposition by a section of secretaries. Two years later (in 1946) the Interim Government appointed *the Machinery of Government Committee* headed by Sir E. C. Coates. This Committee, finding that the nature and complexity of the business of government was beyond the capacity of assistants and clerks, recommended replacement of the office by offices:

"The days when the business of the Central Government largely consisted of the application of precedents or in running the country on a care and maintenance basis are over. New problems and new activities have crowded in on the Centre in recent years, new policies are constantly having to be formulated, and fresh ground has constantly to be broken. The nature and volume of the work now confronting government require much specialised and more thorough handling. This cannot be achieved by a system of non-gazetted assistants noting to a few overstrained officers. The work is of a nature which can only be performed by officers who know their subjects inside out, and who can hold their own in departmental, and if need be, in international discussions. The Committee recommend that case-noting assistants and superintendants should be replaced by officers of new service."

The concept was examined, in 1952, by R. A. Gopalaswami in

[2] A departure from the conventional secretariat staffing and working pattern was made for the first time in 1946 when a limited experiment was carried out in the Finance Ministry by the appointment of finance officers who themselves initiated examination of a case without any noting by assistants. Although the scheme of finance officers was short-lived, the question of launching a new scheme was raised again after a few years on account of an undiminished decline in the quality of work.

his—what has now become a classic report—*The Machinery of Government: Improvement of Efficiency.* Gopalaswami set his face against its adoption in India on the ground that larger number of officers were to be employed under this system and, since the manpower resources of the country were severely limited, this would verily amount to a competition with the other executive and administrative services both under the central and state governments. He also felt that having recruited competent officers it would have been neither possible nor even desirable to restrict their promotion prospects but by doing so, the system of exchange of officers with the States and the benefits that the tenure system confers would have been lost. He summed up: "In the circumstances, the considered conclusion that was arrived at was that the Whitehall system, as a whole, was not suited to the conditions prevailing in India".

In 1954, Ashok Chanda, in his *Notes on changes necessary in the system of budgetary and financial control and in other matters to eliminate delays in execution of projects* recommended the officer-oriented system for adoption in India. He conceded the utility of examination of a case being entrusted to clerical personnel particularly where decisions must necessarily be based on a variety of rules and regulations or follow precedents but, all the same, felt that the scope for this kind of examination was extremely limited in a different type of cases and the latter type tended to increase significantly in the present context. He concluded:

> "Precedents and continuity are not so important today as they were in the past, nor should a reform, if desirable, be rejected on the score of difficulty in getting trained personnel. . . . For a time both the new and old system will run in parallel. This would introduce complications and might prove initially more expensive. Ultimately, however, there will be economy in manpower and, therefore, in expenditure. Even assuming that a certain increase in the total expenditure is involved there is no doubt that the system, to the extent that it induces speed in the transaction of Government business, will be worthwhile."

As complimentary to the officer-oriented system he recommended strict observance of two conventions. Firstly, cases should be directed to the appropriate level in the hierarchy, thus making it not necessary for a case to run the usual course through the entire hierarchy. Secondly, the senior officer must give clear and specific directions about the manner in which a case should be disposed of instead of remaining content with merely passing it on to a subordinate officer to be dealt with at his (subordinate's) discretion.

Although Ashok Chanda had submitted these proposals in 1954, no action on them followed. In the meantime, there continued a steady proliferation of personnel at the clerical level, creating in its wake demand for additional office and residential accommodation. Surprising though it may appear, the central cabinet while considering in 1964 the demand for additional office space and housing struck upon a new idea and saw in the officer-oriented system the seed of a lasting remedy. It decided to depart from the prevailing pyramidal structure to make for greater speed and efficiency in work. A committee of secretaries was instantly constituted to examine the existing staff pattern and to recommend appropriate changes. The committee pointed out in 1964:

(1) Large number of personnel at the clerical level act as a drag on administration, and the main objective must be to effect substantial reductions at this level.

(2) One of the reasons for excessive numbers at the clerical level is the existing procedure which itself requires every paper, normally, to the first noted upon in the "office". Therefore, the introduction of system of first noting at officer level should be seriously considered, so that it would automatically lead to a reduction in the number of clerks.

(3) Clerks will still be necessary for purely routine duties like diarising, despatch work and typing.

(4) The total elimination of office noting, without an examination of how the volume of work could be reduced, might require too large a contingent of officers and may lead to wasteful results.

More recently (1965) another committee—*Committee of Officers on the Reorganization of the Structure of Ministry of Works and Housing*[8]—went into this problem in all its ramifications. The Pink Report offers a brilliant exposition of the officer-oriented system, enunciating as it does the following five general principles:

(1) Office staff should be cut down to the minimum. Clerical staff should be necessary only for routine duties.

[8] Since the report of this committee has a pink cover, it is proposed to refer to this report as the pink report to overcome the cumbersome title.

(2) As far as possible, an "officer oriented" system should be introduced, in which the initial consideration of a paper should be at the hands of an officer rather than of "office". The aim thus should be the elimination of office noting wherever possible. The distinguishing feature about the officer who does initial handling should be that he is empowered to dispose of cases of appropriate categories at his own level.

(3) The number of levels of consideration should be reduced. Within a joint secretary's charge, there should not ordinarily be more than three levels of consideration up to and including that of the joint secretary.

(4) There should be no stinting in the matter of providing stenographic assistance at all "consideration" levels.

(5) There cannot be a uniform prescription for the staffing pattern of all divisions. For each division a tailor-made pattern should be devised taking account of the workload, handling procedures and other circumstances obtaining there. The pattern for a division handling the work coming from an attached office would, for instance, be different from that of a division handling original work.

EVOLUTION OF THE SYSTEM AT STATE LEVEL

The concept of officer-oriented system has not been a stranger to many States. Indeed the secretariat manual of Uttar Pradesh, first compiled during British period, prescribes the initial handling of a case by the officer himself.[4]

[4] It lays down:

"(*a*) On receipt of dak from the department the officer should pass suitable orders on each reference in one or the other of the following ways according to the nature of each receipt :

(*i*) Prepare a reply (with fair and office copies) and send it to the department concerned for issue;

(*ii*) Submit it, with his own note, for higher orders without calling for an office note,

(*iii*) Give instructions to office to prepare a note or a draft on the lines briefly indicated by him on the receipt itself; and

(*iv*) Ask office to examine the proposal.

"(*b*) In regard to reminders the officer should, as far as possible, ask his stenographer to obtain the relevant file from the department concerned and then see himself how the matter stands

"(*c*) In some cases officers should themselves note instead of asking office to submit a note. They can of course take the assistance of office in collecting information or putting up references

"(*d*) On return of file from Minister the officer concerned should, as a general rule, himself dictate to his stenographer the draft of the order to be issued and return the file to office with the fair copy duly signed by him."

Almost all the committees that have reported in recent years on the administrative systems in the states have recommended the adoption of officer-oriented system. This has been done in the case of Mysore[5] (1958), Rajasthan[6] (1963), Andhra Pradesh[7] (1965), Maharashtra[8] (1965) and (undivided) Punjab[9] (1966). The Mysore, Andhra Pradesh and Punjab (in certain matters which have not been enumerated, however) reports consider Under-Secretary as the base while others go to a step lower and recommend the consideration of a case to begin at the level of the Section Officer.

III

SOME EXPERIMENTS IN THE SYSTEM ANALYSED

Pilot Section Scheme

The earliest attempt at officer-oriented system, which had some measures of continuing and, therefore, can be subjected to scrutiny is the Pilot Section Scheme introduced in 1956. Under this scheme pilot sections were to be organized in several departments. Each pilot section consisted of three upper division clerks and three lower division clerks, one or two of whom were to be steno-typists. Noting was initiated in every case by the Section Officer who exercised some responsibility at his own level and even disposed of simple cases finally. Level-jumping[10] was also introduced in an appropriate manner. The scheme was introduced in most of the ministries and the sections brought under it totalled 95.

An evaluation of this scheme was undertaken in 1957-58 by the O & M officers of the ministries. The general conclusion emerging from the evaluation was that the quality of work done had shown perceptible improvement and that the results were generally satisfactory, particularly where the personnel had been selected with care;

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[5] A. D. Gorwala, *The Mysore Administration*, Bangalore, 1965 (reprinted), p. 46.

[6] *Report of the Administrative Reforms Committee*, Jaipur, Government of Rajasthan, 1963, paras 3.15.7 to 3.15.10.

[7] *Report of the Administrative Reforms Committee*, Hyderabad, Government of Andhra Pradesh, 1965, para 2.44.

[8] *Interim Report on the Working of the Sachivalaya*, Bombay, Government of Maharashtra, 1965, para 22.

[9] *Report of the Punjab Administrative Reforms Commission*, Chandigarh, Government of Punjab, 1966, para 7.13.

[10] Shri Jawaharlal Nehru had defined "level-jumping" thus: "When work is organized in a hierarchical system, the tendency is for papers to pass through all levels before a final decision is reached. The popular expression 'level-jumping' implies that such authorities in the hierarchy as do not contribute to decision-making should be eliminated."

results, however, were not quite satisfactory in some sections in which the nature of work was not suitable for this experiment or in which the volume of work registered an abnormal increase. The evaluation team, however, felt that it was too early to come to the final decision on the utility of the scheme and that a detailed review should be conducted later after the scheme has had a fair trial. It was decided, therefore, to extend the period of the experiment till February 1959. In the meantime, the evaluation report was circulated among the ministries and they were again asked in September 1958 to send their comments. Most ministries perceived a distinct improvement in pilot sections but some sections found the scheme not suited to them. This review by the ministries was followed by sample studies of eleven Sections in six selected ministries/departments. These sample studies revealed that there had been uniform and considerable improvement in the quality of work done and that disposal too, was speedier.

A fresh lease of life was given to the experiment and towards the end of 1959 study group was set up to review the working of the entire O & M drive including, of course, the pilot section scheme. The views of this study group were:

(1) Compared with the conventional sections, the pilot sections showed better quality of performance and greater speed.

(2) As Section Officers were freed from routine co-ordination and supervision of assistants' work and had more time for original thinking and creative work, the system proved a suitable field for the conscious development of section officers for exercise of greater responsibility at the next higher level.

(3) The Pilot Section Scheme could not be considered appropriate for every type of work. It was most suited for work which was not routinized or which involved difficulties, issues or problems of a wide variety or which related to the execution of projects requiring prompt and efficient attention or for work of a specialized nature requiring deliberation and thorough attention by experienced staff at the very first stage of examination.

The study group accordingly recommended that the Pilot type of section should be accepted as a recognized structural unit for suitable kind of work.

An important drawback discerned by the study group was the absence of reserve assistants for filling up the gap when one of the three section officers abstained. The study group suggested that the staff composition of the new type section could be suitably modified and that, depending upon the nature and volume of work, the number of section officers could vary from two to four and that each section could be given one or two assistants. It also recommended that upper division clerks should be replaced by steno-typists.

The Director of O & M in his report on the working of the O & M Organization (1956) stated that his views on the subject generally coincided with those of the study group. He felt, nevertheless, that the differences of opinion observed in the replies of various ministries underlined the need for having more than one pattern of staffing in the secretariat. The approach of the study group, he felt, permitted a flexible approach on the question and he recommended its adoption. He, however, suggested that while existing pilot sections should be continued, no additions must be made without consulting the O & M Division, as it would be wasteful to have it with the usual complement of three section officers for work which could be done as well by lower grades of staff. Accordingly, the pilot section scheme was permitted to continue for one more year, *i.e.*, up to February 1960—the final decision to be taken only after the recommendations of the Second Pay Commission on the merger of the two grades of section officers were available.

The two grades of section officer (Rs. 275-500 and Rs. 530-800) were merged on the recommendation of the Second Pay Commission into one grade of Rs. 350-900, raising thereby the average cost of the pilot section. The new Director of O & M who was also the head of the Special Re-organization Unit (now called Staff Inspection Unit) in the Ministry of Finance, had a sample study conducted of two pilot sections in the Ministry of Commerce and Industry, mainly with a view to assessing whether the nature of work was suitable for pilot sections. This disclosed that in these sections high-cost personnel had been employed to deal with work which could be dealt with by low-cost personnel. This finding made it necessary to have all pilot sections evaluated. Accordingly, liaison officers belonging to the O & M Division and the Special Re-organization Unit were appointed to liaise with the ministries; and the general criterion laid down by the Director of O & M that sections generating more than thirty per cent receipts of a routine character should not be considered fit for the pilot section scheme and should, therefore, be "depilotized". Studies were completed in thirty-two sections out of sixty-four. On the criterion given by the Director, agreement was ultimately reached between

the liaison officers and the ministries to "depilotize" 18 sections. It is significant that no view on the actual performance of these sections was either sought for or given. Despite the criterion given by the Director of O & M, the ministries urged the continuance of fourteen pilot sections. The liaison officers, however, recommended the continuance of only four of these and even these four were discontinued as general orders were immediately issued abolishing all pilot sections. As a result, studies in the remaining thirty-two sections were not completed. The Director of O & M advanced the following reasons for the discontinuance of the pilot section scheme:

(1) *Nature of work*: The proportion of receipts considered suitable for initial action at the Section Officer's level did not generally exceed thirty-five per cent, the lowest being as low as one per cent.

(2) *Quality of disposal*: The contribution made by the Section Officers was also not found to be beyond the capacity of an average assistant.

(3) *Level of disposal*: The Section Officers were also not in a position to dispose of finally a large part of really important receipts, the percentage of such disposal being relatively high only where purely routine papers formed a substantial part of the intake.

(4) *Speed of disposal*: As in the case of the two sections in the Ministry of Commerce and Industry, the apparent speed of disposal noticeable in the sections was attributed to high percentage of routine items of work (*e.g.*, "acknowledgements", forwarding of papers, inviting comments, furnishing routine factual data, etc.).

(5) *Employment of personnel of higher grade than warranted by the nature of work*: As a corollary to the finding that routine items formed a major portion of the work in these sections, employment of Section Officers for their initial handling meant the utilization of costlier personnel for work of low intrinsic value. In particular, it has been calculated that in the office of the Chief Labour Commissioner, at least sixty per cent of the time of section officers was being spent on items which could be handled by even an upper division clerk, at any rate not by a grade higher than assistants.

(6) One of the reasons that partly led to the introduction of the scheme, namely, the dearth of efficient assistants, had also since ceased to exist is that direct recruitment to the grade was resumed in 1955 and a large number of such directly recruited assistants were working in all the ministries.

It must, however, be pointed out that the paper submitted by the Director of O & M to the Committee on Administration suggesting abolition of the pilot section scheme did not give truly complete picture. Out of the twenty-nine ministries/departments, eighteen clearly felt that the pilot section scheme had led to an obvious improvement both in the quality of work done and in the speed of its disposal; two ministries argued that while speed had not improved perceptibly, the quality of noting had definitely improved; two ministries observed that while the quality of work had remained the same, speed had improved considerably; and only seven ministries/departments thought that the experiment on the whole had not been successful. This general opinion of the ministries on the working of the scheme was not placed before the Committee on Administration and this view does show that in a very large number of sections the scheme was a pronounced success. The apparent reasons given for the abolition of the pilot sections also need to be re-examined. The criterion adopted that a section having more than thirty per cent routine receipts including subsidiary receipts should be "depilotized", was arbitrary, to say the least. Quite clearly, practically every section generates more than thirty per cent routine receipts. Besides, it tended to be forgotten that even in a conventional section a routine receipt was first seen at the dak stage by a section officer after noting by the assistant was again seen by him, so that some part of his time and energy even in a conventional section was necessarily given to routine receipts. Again, the observation made on the quality of disposal was in conflict with the views of the ministries generally, even with the findings of the sample surveys conducted earlier. Increased speed in disposal was noticed but was ascribed to the comparatively high percentage of routine work. Is not increased speed desirable even in routine items of work ? Moreover, increased speed was not necessarily confined to sections having a high percentage of routine work; the percentage of incoming receipts disposed of within a fortnight was perceptibly higher in two-thirds of the pilot sections than in the conventional sections. While by themselves these findings may not be conclusive enough, they acquire significance when read with the views of the ministries. Again, the comparative average cost of a pilot section was surely higher than the conventional section, but there is always scope for economy without jeopardizing efficiency—and existence—of the system.

It is significant to note that the Ministry of Defence strongly resisted the decision of the Committee on Administration and obtained the latter's concurrence to the continuance/creation of eight pilot sections in the Ministry of Defence. The Defence Ministry has modified its pilot sections slightly in that its pilot section consists of three Section Officers assisted by three steno-typists, one assistant for co-ordination and management of records and to serve as leave reserve and one lower division clerk. The pilot section in the Defence Ministry costs a little less than the normal pilot section.

The Attache System

Besides the pilot section other attempts have also been made at introducing the officer-oriented system. Thus, for instance, the Ministry of External Affairs and the Department of Tourism have tried systems suitable for their organizations. The Ministry of External Affairs has the *Attache System*. In the pattern evolved by it, in each normal division having about 5,000 annual receipts the Deputy Secretary is assisted by three officers of the rank of Under Secretary or Attache, (an Attache is a Section Officer who gets a special pay of Rs. 75-100). The number of officers increases if receipts exceed 5,000. All work is handled initially at the level of Under Secretary or Attache, except for confidential or complicated work, which is handled initially at higher levels. The Under Secretary or the Attache has a stenographer and is also helped by an assistant who does miscellaneous work, *e.g.*, preparation of statements, referencing of files, etc. Each Division has a divisional registry, which is under a registrar of the rank of a Section Officer and is assisted by an assistant archivist of the rank of an assistant and three lower division clerks who attend to diarising, typing, despatch to the central registry and other routine work. Under instructions, level-jumping is also practised. The reorganized pattern was introduced in March 1962 in the Ministry of External Affairs and has now been extended to all its divisions.

Officer-oriented System in the Ministry of Works, Housing & Supply

At the request of the then Ministry of Works, Housing and Urban Development, a comprehensive study of the structure and procedures of the Works Division of the Ministry dealing with all work relating to attached office of the Central Public Works Department (CPWD), was made by the Department of Administrative Reforms. This study disclosed that a significant volume of work handled in the Works Division in the ministry was unnecessary and sometimes of petty nature. It was also clear that the decision-making process could be

simplified and secretariat work could be reduced if the ministry receives and processes the case in the file of the CPWD itself. The remaining work originating in the secretariat itself could be more conveniently handled at not more than three levels, *viz.*, Joint Secretaries, Deputy Secretaries or Section Officers; no case from the CPWD being examined or noted upon at clerical level. The first examination was to be either at Section Officer's or Under Secretary's level. The method of working and the structure of the works division were consequently reorganized according to an officer-oriented system in 1965. Two schematic charts, one showing the position before and the other after reorganization, are given to describe the 'pre' and 'after' positions. (see Charts on next page) The salient features of this scheme of reorganization are:

(1) Enhanced delegation of powers to the chief engineer of CPWD.

(2) Introduction of a single file system eliminating the maintenance of duplicate files in the recipient office and duplicate consideration at clerical level in the secretariat, and consequent reduction of staff, mainly assistants;

(3) Introduction of a standardized, subject-wise-coded file index for the entire range of cases dealt with in the division facilitating the storage and retrieval of files;

(4) Reduction in levels of consideration from five to three;

(5) Provision of a full-time stenographer or steno-typist for each Under Secretary or Section Officer, who besides furnishing complete stenographic assistance carries out the following duties: (*a*) opening of files with the help of file index and under the guidance of officers, (*b*) maintenance of current files and internal movement diary and collection of relevant papers, and (*c*) routine liaison work; and

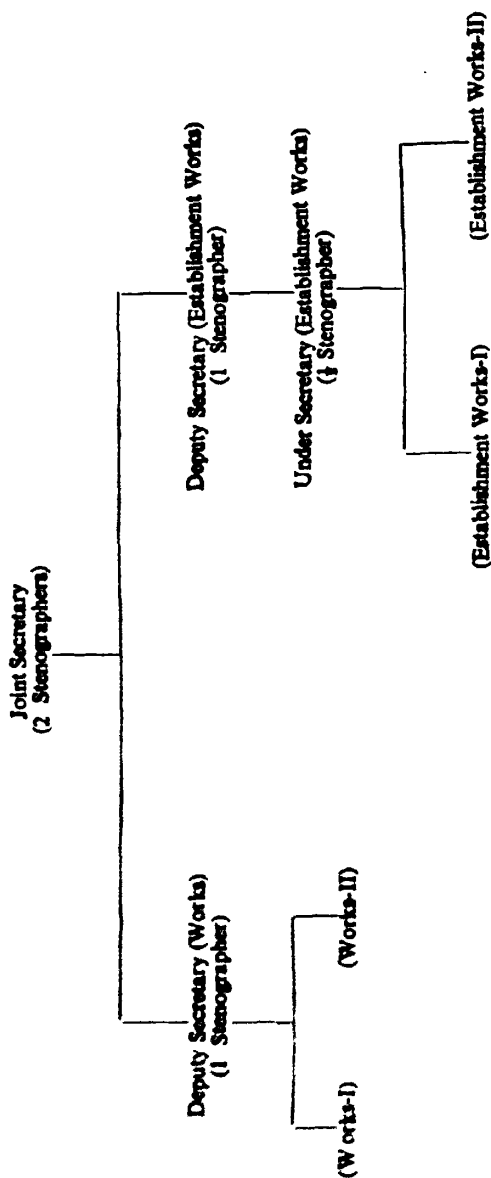
(6) A registry for the division as a whole to handle work relating to receipt, despatch, typing, maintenance of non-current files, etc.

IV

CONCLUSION

The officer-oriented system has, thus, been in operation in a number of central government organizations at present. It is also in

Before the Pink Report

ORGANIZATION CHART SHOWING THE STAFFING PATTERN FOR 'WORKS DIVISION'

DISTRIBUTION

Section Officer (S. O.)	1	1	1	1
Assistants	5	6	4	3
Upper Grade Clerk (U. D. Cs.)	1	1	1	1
Lower Grade Clerk (L.D.Cs.)	2	3	2	2

ORGANIZATION CHART SHOWING RECOMMENDED STAFFING PATTERN FOR 'WORKS DIVISION'

* Additional post for a period of 1 year.

vogue in selected sections of the secretariats of some of the States, such as Uttar Pradesh, Gujarat, Madras and Rajasthan. Four major advantages are attributed to it. First, it quickens the disposal of cases. Secondly, it ensures decisions by officers. Thirdly, it leads to reduction in levels of consideration. Fourthly, it results in economy both in administrative expenditure and personnel. Let us now examine to what extent have these been realized in practice. The analysis is based on studies of organizations operating under the system.

There is quicker decision-making under the officer-oriented system. Cases are dealt with more expeditiously both by the clerical staff and by the officer although the saving in time gained has been found to vary very widely, ranging from marginal to substantial. Where the officer is efficient, the saving was to the tune of nearly hundred per cent. Because of laziness or lack of competence or a combination of both, some officers, it has been disclosed in the studies, continue to depend rather excessively on the clerical staff even under the officer-oriented system. It must at the same time be conceded that the officer-oriented organization is definitely more expensive. The employment of a larger number of officers has been found necessary to cope with the work. While there would be some 'reduction' of clerical staff, this is more than offset by the hiring of additional officers, particularly at the level of deputy secretaries, and a battery of stenographers. The reduction, at the clerical level is more apparent than real, for the surplus staff is seldom retrenched, but only gets absorbed elsewhere. The tax-payer has, therefore, to foot a higher pay-bill under the new system. Even the functional roles of various levels of officers may undergo modification. Today, Under Secretary disposes of a sizeable volume of work in an organization. A study of the officer-oriented system in an organization discloses, on the other hand, that this level has no appreciable decision-making role to play and, therefore, it may become necessary to re-define the roles of all levels with a view to securing a more even spread of work and optimum utilization of all the levels:

LEVELS OF DISPOSAL OF CASES

Level of officer	*Pre-officer-oriented system*	*Post-officer-oriented system*
Secretary	6	7.3
Deputy Secretary	60	90.3
Under/Assistant Secretary	34	2.4

Paper management suffers neglect under the system. It was found that files were not arranged scientifically or according to a system

with the consequence that the reference clerk had to spend considerable time in tracing out the relevant papers. New files were indiscriminately opened by the reference clerk without seeking or getting any guidance from the officer. Also, transfers of officers took place with disturbing rapidity entailing dislocation of work. As the new officers took time to familiarize himself with the organizational tasks and get acclimatized with the new environment, this had an adverse effect, though temporarily, on the quality and speed of work. Besides, no adequate provision was made for leave reserve staff. An officer-oriented organization is a highly sophisticated gadget, as it were, and, the absence, even for a short duration, of one person may result in serious dislocation of its functioning. Therefore, there must exist adequate arrangements for replenishment of even short-term vacancies. Furthermore, in cases in which compliance or reply was delayed by a sister organization, there was no systematic follow-up.

The above analysis shows that a careful planning must precede the adoption of officer-oriented system. In other words, certain basic conditions must be fulfilled before this system can be effective. To these we may now turn our attention:

(1) Delegations from the Finance Ministry to the administrative ministries and from the latter to attached and subordinate offices should be made to such a degree that only the really unavoidable functions and powers are retained in the ministries.

(2) For such work as must continue to come to the ministry even after delegations, there should be no need for examination at the office level. This can be best done by having what has now come to be known as 'single file system'. Single file system provides not only for substitution of letters by files but also means elimination of duplicate files in the recipient office and of duplicate consideration at the clerical level.

(3) Stage is, then, set for officer-oriented system at the secretariat level in which 'office' staff should largely disappear.

(4) The officer-oriented system has been considered suitable for work which is non-routine in character, or which involves difficulties, issues and problems of a wide variety, or which requires prompt action or is of a specialized or technical nature requiring attention by experienced officers. It is not suitable for sections such as those dealing with work involving

routine checks. The conventional pattern is appropriate and adequate in such sections.

(5) The officer under the officer-oriented system must be of a sufficiently high calibre to be able to process the cases independently and should have the capacity of taking quick and correct decisions. To make this system a success executive development programmes of a wide variety and for various levels of personnel would seem essential.

(6) Frequent transfers of personnel must be resisted with all might. Continuity of officer for at least three years is among the basic necessities of this system.

(7) There should be adequate leave reserve staff to keep the administrative wheel moving when some one goes on tour or leave. As a stenographer is vital to the working of the officer-oriented system, there should preferably be a pool of stenographers to serve as 'leave reserves'. Also, there should be 'link officers', which means that when an officer is absent for short periods, automatically his link officer would look after all urgent and important matters pertaining to the former's work.

(8) There should be an adequate number of stenographers to be attached to the officers, without which the officer-oriented system can not prove successful. To quote from the Pink Report, "there should be no stinting in the matter of providing stenographic assistance at all 'consideration' levels".

(9) Paper management must be given continuing attention. There should be a scientific indexing system for files so that these may be traced out easily, and also, quickly. Also, files and other tools of office should be kept as near the officer as possible.

(10) Training programmes should be simultaneously launched to impart training to the staff declared surplus under the officer-oriented pattern, in new skills, such as stenography, accountancy, etc. Also, attractive terms should be offered to the personnel at the office level to induce them to leave government. Even then, there may remain a sizeable number of surplus personnel who shall have to be retrenched.

Mention may be made in the end of three principal drawbacks which appear to be the accompaniments of this system. First the 'memory' function which an office, today performs runs the risk of getting lost under the officer-oriented system. To keep alive the memory function the office essentially depends upon the assistants and clerks who normally remain in the section for a much longer period than the officer. In the officer-oriented system there will be only one assistant or clerk in a section, who is to act as the organization memory. Memory function would be lost if this person, for any reason, leaves the section. This shortcoming, however, can be overcome by installing an improved file-indexing system. Secondly, it is pointed out that the office has been the training ground for future administrators, which is completely overlooked under the officer-oriented system. Denied the opportunity of dealing with cases and noting on these, the assistant, under the new pattern, would learn little and when promoted to the position of an officer, would display diffidence in handling the cases. And, lastly, unlike the conventional system, the officer-oriented one cannot 'hide an incompetent officer'.

PROFESSOR D. G. KARVE : A TRIBUTE

[Prof. D. G. Karve was a member of the Editorial Board of this Journal since its inception and continued to be so until his death on December 28, 1967. He was also the first Director of the Indian Institute of Public Administration. As a mark of tribute to his memory, we publish here two reminiscences one from Dr. H. K. Paranjape and another from Dr. V. Nath—Editor.]

THE sudden death of Prof. D. G. Karve came as a shock to so many of us who had been closely associated with him, either as students —and their number is large, spread all over the country—or as colleagues in the many activities and organizations with which he was associated. While in recent years his health was not what it used to be earlier, he continued to be active and vigorous in the pursuit of his manifold responsibilities. Peculiarly enough, his death came when the Indian Economic Association was holding its Golden Jubilee session at Madras. Many members of the Association had been earlier mentioning their feeling of regret and surprise that Prof. Karve, a veteran Member of the Association, was not present at the Golden Jubilee Session. He had decided not to attend because of some other pressing work. The news of his death came even while the Conference was in session.

Prof. Karve was a scholar, educator, political economist, liberal reformer, administrator and adviser to government. He played all these different roles, some of them simultaneously and other at different periods of his life; but he fulfilled them all with distinction. He belonged to a vanishing tribe who decided, following the traditions of the distinguished founders of the Deccan Education Society, to take to academic life so as to serve not only the cause of education but also that of the country's overall progress. If Karve had been born earlier, one wonders whether he might not have really ended appropriately as the Dewan of an enlightened State, on the lines of Shri C. P. Ramaswami Iyer; if he had been born later, he might have perhaps developed as a distinguished Civil Servant or Minister. As he, however, lived in the twilight years—half of his active life was spent before Independence and the other half after Independence—he combined in himself a number of useful roles fulfilling the functions that he found were necessary in these difficult years of our country's history.

After a distinguished academic career, Karve joined the Deccan Education Society as a Life Member. His field of study and teaching was political economy in the true sense of the word, and he was one of the few academicians of that generation who continued to study as well as to teach, and who made a mark through their writings as well as their practical influence on economic policies and decisions. Belonging to the Deccan Education Society, he was deeply influenced by the liberal traditions of the founders of that Society. His work on Ranade and the introductory essays written by him on the volumes of Gokhale's speeches which he edited indicate this influence on his thinking. Prof. V. G. Kale had already set up a tradition of work in the field of applied economics both through his writings and through practical work for helping in setting up of appropriate institutions and programmes for economic development. This tradition Karve followed and pursued with distinction.

His writings in the earlier years related to subjects like finance, population and constitutional questions. Probably as a result of his experience and studies in problems of political economy, he developed an early interest in problems of Public Administration and these constituted the theme of the R. R. Kale Memorial Lecture that he delivered in Poona as early as 1949. This interest in problems of administration was continued by him and it became specially important when, following the Report presented by the late Dean Appleby to the Government of India, it was decided to establish the Indian Institute of Public Administration. The Government of India was interested in building up this institution as a strong link bringing together the different elements involved in improved working of the administrative machinery and in Karve they found the proper person to establish this new venture. He was the first Director of the Indian Institute of Public Administration and laid down, together with Shri S. B. Bapat, then Director of O & M, the basic foundations of the Institute. Though he had to leave the Directorship within a short time for personal reasons, he continued to take deep and active interest both in he work of the institution and in the problems of Public Administration. His contributions to the Indian Journal of Public Administration provide ample testimony to his interest in as well as knowledge of the subject.

His interest in the applied aspects of economics led him to play an increasingly active role in assisting the development and functioning of the cooperative movement in Maharashtra. This interest led him further to new areas of work. He became a Member of the Bombay Local Board of the Reserve Bank of India. When the Planning Commission decided to constitute the Programme Evaluation

Organisation as a part of the experiment of Community Development, he was called upon to head that organization and he set it up and organized the country-wide structure of evaluation in the few years for which he was at its head. He was Chairman of the Committee that was appointed at the time of the formulation of the Second Five Year Plan for examining the problems relating to the role of Village and Small Scale Industries in India's economic development and the Report of that Committee continues to provide the basis for thinking on those problems. Cooperative banking and training for the operation of cooperative institutions became another of his developing interest. Because of this interest, he came to be associated first with the State Bank of India as its Vice-Chairman and later with the Reserve Bank of India as its Deputy Governor. He continued to advise the Reserve Bank on problems of cooperative training and to be associated with cooperative movement both in India and abroad.

Karve was essentially as 'Institution Man'. He was responsible for founding a number of important activities. He played a crucial role in expanding the activities of the Deccan Education Society, especially in the organization of the B.M. College of Commerce at Poona. His role in building up the Programme Evaluation Organisation, the Indian Institute of Public Administration, and Cooperative Training Institutions under the auspices of the Reserve Bank has already been mentioned. His last such activity was the Homi Bhabha Fellowship Council whose Executive Director he was at the time of his death.

Karve received many honours and distinctions in recognition of his work. In addition to the many distinguished positions that he held in the administrative and economic life of the country, he had been President of the Indian Economic Association, President of the Indian Society of Agricultural Economics, and Vice-Chancellor of Poona University.

Being a veteran committee man, at any gathering which he attended he could be relied upon to make a useful and distinguished contribution. He would ensure that the overall perspective was not lost in the heat of controversy and, with his inimitable tact and humour, he could help preserve friendship and fellow feeling in an organization. His physical appearance, with the red turban and long coat, was distinctive and the perpetual and somewhat mischievous smile on his face was always noticeable. Alas that one would no more see this distinguished figure in our academic and administrative life.

H. K. PARANJAPE

II

MY association with Prof. Karve—it is difficult to think of him except as Professor—was brief. It was confined to a period of a little over two years, during 1953-55, when I had the opportunity to work as his Deputy in the Programme Evaluation Organisation of the Planning Commission. The PEO is an unusual organization; it was set up to evaluate, independently, governmental development programmes. That it came to be respected for its independence and balanced judgment owes not a little to the personal qualities of Prof. Karve. In order to get a better measure of his achievement, it is well to recall the fact that the community development programme, with which the PEO was concerned at the time, was highly publicized and was looked upon by everyone, including the Prime Minister, as the most important part of India's effort at planned economic development. It was so easy in such a situation to choose one of two extremes—fulsome praise for the programme or strong criticism. Both could be backed by factual evidence. The programme had much to its credit, in the enthusiasm and sincerity to large numbers of workers and in actual achievements; but it suffered also from many faults. A third easy alternative was to avoid discussion of major issues relating to the programme and concentrate on methodological and conceptual aspects. As an agency having social and economic research among its functions, the PEO could well afford to do this. But Prof. Karve chose instead to present in his Evaluation Reports, the reports of his young field officers, edited as little as possible but interpreted in his inimitable style. He also addressed himself to the principal issues and problems relating to the programme. In his second Evaluation Report, he dwelt at length on the issue of administrative organization because he considered it to be the most important. He had the rare gift of saying the truth, the whole truth, without giving offence. There were some who accused him of being vague, of papering over faults, even of prevarication. The Evaluation Reports were certainly not written in the cut-and-dried, para. 1, 2, 3, style which an average undergraduate or field officer would most easily understand. But those who knew rural India and understood the immensely complex processes of social and economic change at work in it, appreciated his reasons for avoiding the false simplicity and directness of such inevitably partial statements. Professor Karve had too clear an insight into rural social and economic problems—an insight developed from a lifetime of contact with rural people in his native Maharashtra—to see accomplishments, experiences of success or failure, or the conduct of individuals, except in relation to the total process that was at work in rural India. At a time when many were tempted to equate community development

with the totality of rural change, he had the clear insight to appreciate it for what it was—a combination of philosophy, method and programme. He had deep faith in the philosophy of community development and wholehearted agreement with the extension method; but he never failed to point out that the programme was one of many needed for rural development, and that this or that experiment should not sweep us off our feet to regard it as the panacea for rural problems.

Prof. Karve placed great emphasis on building a sound institutional foundation for the community development programme. He had been associated with the cooperative movement for many years—the movement was to be enriched and strengthened by his further association with it—and emphasized its role in agricultural and other economic programmes. But he was equally emphatic about the need for building democratic institutions for rural administration and development. In the second Evaluation Report he advocated creation of democratic institutions at village and block levels and entrusting to them most of the responsibility for implementation of the community development programme—an idea which was to flower and be accepted later in the form of Panchayati Raj.

Prof. Karve left the PEO in 1955 after submitting the second Evaluation Report. The Report had increased and confirmed the status of the PEO as an independent evaluation agency, and had established his own reputation as a person with fearless independence, yet deep insight and sympathy for the programme. The difficult period of establishing a new organization was over and the PEO was ready to undertake larger tasks. He could have seen it grow, with himself as its Head. He had been active also in bringing into being the Indian Institute of Public Administration. He was functioning as its Honorary Director and could have become a full-time Director, if he wished. Besides, he had come to be widely known and respected in Delhi and his further stay in the capital would have widened the circle of his friends and admirers. But he chose instead to leave the PEO and Delhi, because he felt that he had given to the PEO (and the IIPA) what they needed most from him, and that he should devote the rest of his working life to the service of the cooperative movement. When I asked him why he was leaving, he replied, "I am nearly 60 now. I have only a few more working years left, and I feel that I can utilize them best working for the cooperative movement". He added that he did not have any particular post in view, but would work as an Honorary Adviser on Cooperation with the Reserve Bank of India He worked with the Bank in this capacity for several years, though eventually he was appointed the Deputy Governor, in charge of cooperation.

I did not agree with Prof. Karve's decision to leave the PEO. I felt that if he stayed a few years longer the PEO would be stronger and more effective. I also thought that as an independent observer of the community development programme and as an adviser to the Planning Commission, he could make a contribution to rural development, which would be as valuable as work for the cooperative movement. But his decision left in my mind a deep impression, that here was a man for whom service in the area which was his first love was more important than the rewards of public office. He was one of the many men of his generation who had chosen a life of service, instead of a career. The most popular field for such persons at the time was politics. Prof. Karve could have done well in this field: he had insight into men and matters, courage and the fighting spirit which were needed for success at the time. But he chose instead to devote his life to the less glamorous field of education. He had been influenced deeply by the political philosophy, and even more by the moral values, propagated by Gokhale and the Servants of India Society. He will be known to many in future as a biographer of Gokhale, and he sought to embody the ideals of the Society in his work and mode of living. But I am not sure whether he was a member of the Society. He, and others like him, bring to my mind the image of the *rishis* of ancient India: I have thought of him as a modern *rishi*. He believed in simplicity and personal discipline; but he was no ascetic. His home in Poona was modern and comfortable, and was furnished tastefully, if unostentatiously. He believed that one could achieve the highest that one was capable of by living as a normal human being.

Every period produces its crop of the great and the gifted. Prof. Karve's period was one of vigorous contact (including conflict) between the Hindu tradition and western thought. He, and others of his generation, were deeply influenced by both, and their life and work bear the imprint of the two influences. They had been brought up in the Hindu tradition, but were exposed to English liberal ideas and modern, scientific thinking in their student lives. The present age is not for producing men like him: the mood is so different. But when one considers the respect in which he was held and the work that he could do in the later years of his life, one is not sure whether the present age needs men like him less.

V. NATH

CURTAILMENT AND REDUCTION OF PERIODICAL REPORTS AND RETURNS

[*We are reproducing below a minute recorded by Lord Curzon, Governor General of India, on February 25, 1901 on curtailment and reduction of periodical reports and returns in Government of India. The minute is not merely of historical interest; many of the maladies which Lord Curzon mentioned are still there—Ed.*]

THE Governor General in Council has for some time had under consideration the question of the curtailment and reduction of periodical reports and returns in view of the removal of the complaint often made—as the Government of India consider with reason—that the time of officers engaged in the different branches of the Civil Administration is occupied in the preparation of such reports and returns to an extent that is detrimental to the proper performance of their other duties. The question does not now come before the Government of India for the first time, and before enumerating the directions which the Governor General in Council has determined to issue, it is desirable to refer to the discussions of former years on the subject.

As long ago as 1872 the Secretary of State for India drew attention to the number and voluminous character of the printed reports forwarded for the information of Her Majesty's Government. The subject was at that time approached mainly from the point of view of the desirability of restricting the expenditure in printing public documents, and the Government of India in their Resolution of 21st November 1874 suggested, for the consideration of Local Governments and Administrations:

(1) that the separate printing of some departmental reports should be prohibited, their subject matter being digested and edited in the annual administration report;

(2) that the reports of which the separate printing was sanctioned should, as a rule, be limited to a fixed maximum number of pages and to a fixed size of type and page not to be exceeded or changed without the sanction of the Local Government;

(3) that all Heads of Departments should be required to condense and edit instead of reproducing in *extenso* the reports of their subordinates unless any particular report possessed special value and interest that would be lost by condensation.

The Local Governments and Administrations were requested to prepare lists of reports submitted to them for ultimate transmission to the Government of India: (1) which might be separately published and limited in size, or (2) which might be in future abandoned as separate reports and included

in the general administration report, and to consider how far the conclusions of the Government of India might be extended to reports submitted to the Local Governments and Administrations but not sent on to the Government of India. These instructions were approved by the Secretary of State with the caution that the Government of India should be careful not to offer any impediment to the collection of really valuable statistical information.

As a result of the reference to the Local Governments the Government of India determined: (1) that the more important reports must be separately printed with the review of the Local Government upon them, and left it to the Local Government to decide whether a few of the less important reports should be printed or not; (2) not to press the suggestion to fix a maximum number of pages for each report, but they directed Local Governments to instruct subordinate officers to reduce the departmental reports to a more convenient size; (3) that all annual reports should be printed in foolscap folio, the type of the report proper being solid pica, and that of the extracted matter and the appendices small pica; (4) that Heads of Departments should be forbidden to reproduce in *extenso* the reports of subordinates.

These instructions had such little effect that in 1885, the late Sir Charles Aitchison, then Lieutenant-Governor of the Punjab, approached the Government of India with proposals for reform in the preparation and treatment of annual reports based upon the conclusion that the system of reporting had grown to be a great incubus upon the administration, and that it was incumbent on the Government to lighten the load as much as possible. He stated that the annual reports in the Punjab had in many cases become far more elaborate and detailed than was the case ten years before. The measures of reform suggested were the discontinuance of any separate reports which could be shown to be unnecessary; the substitution of triennial for annual reports in the case of all reports of value rather from a statistical or financial than from an administrative point of view, returns accompanied by the briefest possible notes being prepared in the other two years; and, in the case of the more important reports, the introduction of a system under which a full report would be submitted every third year and brief reports in intermediate years.

The Government of India, while sympathizing with the desire of the Punjab Government to reduce within more reasonable dimensions the work of writing and reviewing reports, had doubts whether the proposals made might not, if carried out in their entirety, have the effect of depriving departmental officers of a ready means of ascertaining the latest particulars in regard to current departmental administration, and of benefiting by the experience of each year as embodied in the annual report. They were also apprehensive that the discontinuance of the annual reviews of departmental reports by Local Governments and Administrations might remove a very useful check, and possibly lead to a perpetuation or continuance of errors of policy or administration which it was desirable to remove without loss of time but which, under the proposed arrangement, might not come to the notice of the Local Government until the lapse of a considerable period after their introduction. It appeared to be also possible that under the system proposed the intermediate reports might become so brief as to be of little practical value, and the triennial report unduly prolix. The absence on leave of permanent officers would also interfere with the preparation of the full triennial report, and a Lieutenant-Governor in a five years' tenure of

office would be able to review the work of any department at most twice, and possibly only once. They, therefore, considered that annual reports on the more important branches of the administration must continue, but that in the case of some of the less important departments a brief report for two years with a full and careful report in the third year would ordinarily suffice, and that in some departments it would not be necessary to require more than a full report every third year with brief notes in the intermediate years.

After consultation with the Local Governments the conclusion of the Government of India was embodied in Home Department Resolution No. $\frac{28}{1579\text{-}95}$, dated 15th July 1887, and published in the Supplement to the Gazette of India of the 23rd idem. It was briefly that annual reports must be maintained, firstly, where the reports deal with the application of administrative principles still open to modification, or the concrete working of which has to be watched, and secondly, where the reports contain statistics which for administrative purposes must be compiled and examined annually. Applying these principles it was decided to maintain annual reports; the following reports submitted to the Home Department of the Government of India, *viz*., those on General Administration, Municipal Administration, Local Boards' Administration, Education, Civil and Criminal Justice, Jail Administration, Police Administration, and Lunatic Asylums. It was determined that the reports on Registration, Dispensaries, Vaccination, and the Destruction of Wild Beasts and Snakes should be submitted triennially, statistical returns and brief commentaries in the shape of notes being submitted in the intermediate years. At the instance of the Secretary of State this decision was subsequently modified in regard to the report on the destruction of wild beasts and snakes which he wished to be submitted annually as before.

The Government of India also expressed their opinion that the compression of reviews was not less called for than the curtailment of reports and directed that a review should contain only what is necessary to communicate the judgment of the reviewing authority regarding the salient features of the report.

This second attempt to reduce the volume of reports had as little effect as the first, and an examination of recent reports shows that the standing orders of the Government of India have been to a large extent ignored in practice. In spite of their appeal to Local Governments and Administrations to insist on curtailment of reports to the utmost extent which is consistent with a proper examination of the facts and figures presented in them, many of the annual reports are more diffuse and imperfectly edited than ever. In spite of the opinion expressed by the Government of India that the compression of reviews was urgently called for, the reviews of Local Governments and Administrations in many instances continue to contain a large amount of matter which is merely an abridged repetition of what is set forth in the report itself. In cases in which triennial reports have been prescribed the tendency has been for the commentaries of intermediate years to gradually increase in volume. For instance, the last triennial report on the administration of stamps, submitted by one Local Government,

filled 24 pages of narrative and 31 of statistics, and the last intermediate commentary 9 pages of narrative and 24 of statistics. With the triennial report were submitted statistical returns for three years, and with the intermediate commentary for two years. Thus all the statistics were given three times over. The instructions issued in 1878 that the reports of subordinate officers should not be printed in *extenso* have been frequently ignored. An instance of the extent to which this direction is neglected is found in a report regarding the administration of Local Boards recently received. The orders contained in the Home Department Circular No. $\frac{41}{3121\text{-}30}$, dated the 8th December 1888, prescribed a brief report by the Local Government with statistical tables, yet in this report were printed no less than 73 pages of reports from Commissioners and Deputy Commissioners, the report of the Local Administration itself being in the form of a resolution covering only about two pages. The orders which require reports to be printed in type of a particular kind are not infrequently disregarded. In cases in which definite dates have been fixed as the latest on which annual reports are due to be submitted to the Government of India serious attempts do not appear to have been made to comply with the order. In Home Department No. $\frac{11}{790\text{-}801}$, dated 24th April 1891 the latest date for the submission to the Home Department of the Government of India of each of the annual reports submitted to it was fixed. In the last year for which each report was due 62 were submitted in time, 77 were less than a month late, 33 more than a month and less than two months late, and 30 more than two months late, the period of default reaching in several instances to over four months.

The Government of India believe that previous orders directed towards the reduction of the size of reports have mainly failed in their object because they enunciated general principles instead of also pointing out definite flaws in practice. To some extent also their failure was due to the disregard by Local Governments and Administrations as well as by subordinate officials of the definite orders laid down by the Government of India. The Governor General in Council has now carefully reconsidered the question of reducing the number of bulk of annual reports and periodical returns, and has determined to lay down more precise directions for future observance. His Excellency in Council is confident that he may rely on the earnest support of Local Governments and Administrations in amending and restricting the further growth of a procedure which impairs the administrative efficiency of officials whose time is consumed in writing reports so overlaid with detail that they convey no clear impression of facts to the controlling authority or the public.

Owing to the peculiar conditions of service and the frequent change of personnel in India more and longer reports are required in this country than in Great Britain or the Colonies. Their use in India is to place before the Local and Supreme Governments a complete record of the years' operations, and to furnish the officers of Government with a permanent and easily accessible record of the past experience of others than themselves in the Department in which they are serving. They are also required to furnish the Secretary of State for India with full information regarding the progress of administrative affairs in India, to provide materials for the

compilation of the report on moral and material progress, the statistical abstract, and other returns which must be presented to Parliament, and to facilitate the preparation of answers to questions in Parliament without reference to India. Lastly, they are useful in providing for the public, both in India and Great Britain, accurate information and statistics regarding the progress of the administration in all its branches.

In order to be really valuable for these purposes a report should consist of accurate facts and figures with concise and intelligent criticism of them, both facts and comments being contained within reasonable compass. In proportion as its space is occupied by discussions, even though they may be useful or interesting in themselves, or by the record of the writer's views on points cognate with the subject matter of the report, its utility will be diminished. A narrative is required, as well as tabulated statistics, in order to adequately exhibit the facts of the year's administration, but there is a tendency on the one hand to introduce into the narrative much that might be compressed into brief statistical tables, and on the other hand to embody tabular statistical tables in the letter press of a report because the writer is inclined to exhibit the facts in a form prepared mechanically by ministerial subordinates rather than adopt the more laborious and more useful process of digesting them into a concise and lucid narrative. The multiplicity of tables by no means ensures brevity of narrative, and the object in view is so to distribute the information between narrative and statistics as to present the record of the year's work in the most interesting and comprehensible form.

In order to attain this object the following principles should be strictly followed :

(*i*) the report should contain only the explanation of really important or suggestive variations in the statistics, and the statement of really noteworthy facts in the history of the year's administration;

(*ii*) no mere paraphrasing and reproduction of the statistics should be allowed in the report;

(*iii*) all attempts to offer explanations of variations in the figures, which are not important or unusual, should be excluded unless the fact alleged in explanation is in itself important enough to demand mention;

(*iv*) the idea that it is necessary to say something should be discarded, and it should be recognized that the briefer a report is the better, if it says all that need be said to show an intelligent comprehension of the meaning of the facts and figures and of the salient features of the year's work.

These principles apply equally to the reviews of Local Governments and Administrations. A review should be strictly limited to comment or criticism on the general results, so far as comment or criticism is required, or to directions arising out of some statement of fact or opinion which seems to require notice by the Local Government or Administration. If a precis or summary of the report is made for the convenience of the head of the

Local Government or Administration, it is not necessary that it should be published.

In order that these principles may be carried properly into practice it is essential to prescribe a maximum limit for each report. The proposal that this should be done was, the Governor General in Council considers, put aside on insufficient grounds in 1878, and experience shows that no lasting reform in the curtailment of reports is likely to be secured if this check is abandoned. The circumstances of the different provinces are in many respects dissimilar, and it will not be possible to fix the same limit for the same report from each province. What is required is that a maximum limit suitable for a year or ordinary conditions should be fixed for each report submitted in each province. This limit need not be worked up to in every year, but it should never be exceeded unless the writer has for exceptional reasons sought and obtained, before undertaking his report, from the Government of India or the Local Government, whichever is the authority to which the report goes in the first instance, permission to exceed it in a particular year. At present the writer of a report usually places before himself, as a standard from which he must not fall short, the length of his predecessor's report. It is unreasonable, however, that the State should, unlike any other employer of literary labour, give its writers unlimited discretion as to space.

The principles stated earlier should be followed, so far as they apply, in the preparation of reviews of reports by the Local Governments. It is the practice in connection with some reports to have intermediate reviews between the actual report and the review of it by the Local Government. Thus some Boards of Revenue or other authorities review in this manner excise, opium, salt, income tax, and stamp reports, and in Madras the reports on the destruction of wild beasts and snakes, and the Commissioners of Divisions review other reports. The Governor General in Council desires that all such intermediate reviews formally recapitulating or summarising the matter contained in the district reports shall be suppressed. This, however, will not apply to comments of either the Board of Revenue or the Commissioner of the Division on a report made in compliance with the general or special request of the Local Government. Such comments may be made briefly on the margin of the original report, or be embodied in a concise note so that they can be utilized, if necessary, by the Government in preparing its review, or for the purpose of issuing any orders that may be considered necessary.

In some of the annual reports the amount of statistical matter in the report (apart from its appendices) covers as much space as the letter press itself. The introduction into the text of large numbers of tables of superfluous and unassimilated statistics (usually a reproduction in an abridged form of the statistics in the appendices) detracts from the value and interest of a report while it greatly increases the cost of printing it. In the opinion of the Government of India the body of the report should be almost entirely in narrative form. It will occasionally be necessary to introduce tables of comparative statistics into the narrative, but such tables should be brief and simple and their number rigidly restricted.

The Government of India have prescribed statistical tables to accompany a large number of the reports submitted to them, but in the case of

some reports, *e.g.*, those relating to the land revenue and excise, divergent local conditions make the use of general tables for all provinces impossible. In the case of all reports for which tables have been prescribed by the Government of India, no additional tables should be appended to and referred to in the Report without the previous sanction of the Government of India.

It should be particularly noted that no addition to or modification in any of the tables prescribed by the Government of India should be made without the previous sanction of that authority. The effect of such modifications is to make inter-provincial or other comparisons difficult or impossible, and to prevent the construction of general tables for all India.

There are a few minor matters in connection with the preparation of reports to which the Governor General in Council desires to draw attention:

(*i*) when maps are given it is convenient to place them at the beginning or end of the volume:

(*ii*) it is desirable to restrict the number of maps and diagrams: these may be occasionally useful as graphic illustrations of interesting or important variations, and in reports of a special character, such as that relating to railways, diagrams may be necessary, but for ordinary reports, tables answer all purposes;

(*iii*) tables of statistics should not be printed sideways on a page unless distinct economy of space thereby results. The foolscap size lends itself easily to the printing of tables with their heading across instead of along the length of the page;

(*iv*) pages of tabular matter are frequently printed with the columns left entirely or almost entirely blank. This is in almost all cases unnecessary. It can often be remedied by dispensing with columns seldom used, and sometimes by discontinuing or recasting the return;

(*v*) the number of pages fixed as the maximum limit of the report should be given on the page containing the tables of contents;

(*vi*) the practice of giving in full detail and in separate columns in tables of statistics the corresponding figures for the preceding year is objectionable. In most cases it will be found sufficient to give corresponding figures for the totals only, by means of one additional line at the foot of the table;

(*vii*) cross references between the statistical tables and the paragraphs discussing them should be given by means of marginal entries on the paragraphs and, if possible, also on the tables themselves;

(*viii*) the directions of the Government of India that reports should be printed in solid pica and the extracted matter and appendices in small pica should be strictly followed;

(*ix*) a date should be fixed for the submission of every report in respect of which this has not already been done, and Local Government

and Administrations should insist on all reports being submitted by the fixed date, and whenever there is inexcusable or careless and persistent unpunctuality, bring the offending officer sharply to book.

The Government of India have recently received from the Secretary of State suggestions for the curtailment of the statistical appendices attached to the general administration report. The Government of India are considering the question of dispensing with many of the tables attached to that report, and of effecting a large reduction in the space devoted to the letter press. A separate communication will shortly be made to Local Governments and Administrations on this matter.

In the opinion of the Government of India the relief of officers engaged directly in the work of administration from unprofitable office work can be attained not only by curtailing the size of the annual reports which they have to submit, but also by reducing the number of subsidiary reports and returns, monthly, quarterly, and half-yearly, which Collectors of Districts and other local officers are now required to submit to superior authority. An inquiry made in the Madras Presidency a few years ago was followed by the abolition of many such reports and returns, and in the extension to officers of all grades engaged in the district administration of wider powers in a variety of directions with the result that much correspondence asking for sanction or reporting action in regard to these matters has now been dispensed with. The Government of India desire that an inquiry of this nature should be undertaken under the orders of other Local Governments and Administrations by a selected officer of experience both in secretariat and district work. The Government of India will, in separate communications which are in course of preparation and will shortly be addressed to the Local Governments and Administrations, indicate generally the extent to which the reports submitted by Local Governments to the Supreme Government might be curtailed, and will issue detailed instructions and suggestions for adoption by Local Governments and Administrations in respect of the reports on matters in which the Government of India have a special financial or other interest. In the case of the Majority of the reports the suggestions of the Government of India will have to be carried into execution under the orders of the Local Government or Administration; and in order to facilitate this, definite proposals for the curtailment of individual reports should be worked out in detail for the consideration of the Local Government and Administration by the Officer on special duty in communication with the officer responsible for the preparation of the report. The orders issued by the Local Governments and Administrations in respect of the reports submitted to each Department of the Government of India should be separately reported to that Department. In order to facilitate the inquiries of the special officer it would be convenient that he should call for a statement in the form appended to this Resolution of all reports and returns whether submitted to the Government of India or to any other authority, and that the statement should mention the date on which each report or return has to be submitted by the local official, and, in the case of reports and returns furnished to the Government of India, the date on which it is forwarded by the Local Government. The statement should also note how many of the returns are required for the purposes of the Local Government or Administration or of any authority subordinate to it, and how many are furnished in obedience to the

instructions of the Government of India. The Government of India would be obliged if an amalgamated statement for each province of all such reports and returns appertaining to it is furnished to each Department of the Government of India. When orders have been passed by the Local Governments fixing the reports and returns which will have in future to be furnished by local officials, steps must be taken to ensure that they are not again added to without proper scrutiny, and that all the reports and returns which continue to be furnished are carefully examined in order to test whether the directions as to their preparation have been fully compiled with. On the receipt of a report by the Government of India a similar examination will be made, in order that any tendency to ignore the principles now laid down may be promptly and effectively checked.

The Governor General in Council desires to make it clear that there is no intention of allowing these reforms to be as unproductive of result as some of their predecessors have been. The Supreme Government and the Local Governments are equally confronted with an abuse which has attained to grave, and in some cases extravagant, dimensions, and which is injurious to the efficiency of both. Its remedy is, therefore, a common interest. A good practice is as capable of enduring as a bad practice, if it be given a fair start; and the Government of India feel confident that by a simultaneous and unremitting vigilance in the departments both of the Supreme and the Local Administrations, and by fidelity to the principles that have been or are about to be laid down, a serious obstacle to good government in India will be sensibly abridged, if not altogether removed.

—CURZON OF KEDLESTON

DUAL CONTROL OF LAW AND ORDER ADMINISTRATION IN INDIA: A STUDY IN MAGISTRACY AND POLICE RELATIONSHIP*

[In this feature we give comments on the articles published in the previous issues of the Journal. Readers are, therefore, requested to send in their comments on the articles published in this issue by June 15, 1968, for inclusion in the next issue—Ed.]

THIS controversy has been raging for a long time, and although there is ample support both for and against the *status quo*, the merits of the case appear to be clouded in an excess of departmental fervour, particularly on the part of those who seek to remove "the general control and direction" of the District Magistrate. In order to view this matter in proper perspective, it is essential to examine the need for magisterial control against overall public interests, and if it is adjudged that such control is in public interest, it must be allowed to continue irrespective of any other considerations.

The arguments that are advanced by the supporters of either point of view, tend to be ingenuous and somewhat forced. One view has it that the provisions of the Police Act, 1861 were a temporary expedient designed to meet the situation following the 1857 Mutiny and as they are out-dated, they should now be scrapped. This argument does not take into consideration the fact that magisterial control over the district police, as a principle, got statutory recognition more than a century ago, and such recognition continues without any change even today. Surely there must be some intrinsic merit in a statutory principle which has remained unaltered during the past hundred years. Would it not be somewhat unrealistic to describe such a provision as a "temporary expedient"? Moreover, in the recent past, several Commissions of Inquiry have gone into this question, and all of them have generally supported further continuance of the principle. Similarly, the plea that with the separation of the judiciary from the executive, the police functions of the District Magistrate should also be separated, does not take all relevant factors into account. In the separation of the judiciary from the executive, what has actually been separated is the power of trial of criminal cases. The control of the District Magistrate over the executive magistracy has, however, been left intact, and it is this component of the judicial system which is directly responsible for law and order administration. It is true that the District Magistrate is no longer able to influence the trial of criminal cases by the subordinate magistracy, but that can never have been the intention of the law when it placed him at the head of the criminal administration of the district.

In the Police Science Congress held at Patna in 1960, it was contended that, as a consequence of the abolition of the system of zamindaris, the

* The original article of this title by Shri Haridwar Rai was published in this Journal in Vol. XIII, No. 1 (Jan.-March), 1967.

Collector's involvement in land disputes had made it impossible for him to remain impartial. It would not, therefore, be proper to let him retain his control over the police administration of the district. This argument appears to equate the zamindar's ownership of land with state ownership. This is a rather narrow view of the Collector's role as Government's representative where he is primarily concerned with safeguarding the interests of the public as a whole. In this context, his involvement in land disputes cannot be compared with that of the zamindar, who is primarily motivated by self-interest. In any case, as representatives of Government, both the Collector and Superintendent of Police have a common objective, *viz.*, public interest, and once this is conceded, it can no longer be argued that the police are better placed than the Collector in matters connected with land disputes.

In all fairness, it must be conceded that the supporters of the *status quo* also advance arguments which are not always tenable. Be as it may, any decision on the continuance of the District Magistrate's control over the district police must be based only on one consideration, *viz.*, whether there is positive advantage in this arrangement. In examining this question we may differentiate between two aspects of criminal administration, namely: (*a*) maintenance of law and order; and (*b*) prevention and investigation of crime. Even though the District Magistrate is generally in charge of criminal administration in its entirety, his influence is more profound in the field of law and order. It would, therefore, be appropriate to examine whether in this field his control of the police is of any advantage.

The criminal administration of the district broadly covers four groups of functions, namely: (*a*) police; (*b*) executive magistracy; (*c*) prosecution branch; and (*d*) jail administration. If the criminal administration is to function successfully it is essential that its four component parts act in concert and as a cohesive whole. In a democratic society, maintenance of law and order often involves questions regarding the fundamental rights of individuals. For example, the right of peaceful agitation is guaranteed by the Constitution; at that stage does an agitation overstep permissible limits and becomes a danger to the maintenance of peace and tranquillity? A decision on such questions can best be taken by an authority, who is not directly involved either as a participant in the dispute or as the agency which may have to put down the agitation. There will be a tendency on the part of the police to look upon this problem solely from the angle of preserving public order; the exercise of civil rights will take a secondary position. Similarly, the agitators will give more importance to their right of peaceful agitation, without much concern for its consequences on the law and order situation. Obviously, therefore, there is need for an authority who can balance both points of view and take a decision on the extent to which a peaceful agitation may be allowed before it degenerates into a law and order problem. Because of his judicial and executive training, sources of information, contact with people of various shades of opinion, etc., the District Magistrate is in an unique position to shoulder this responsibility. He can also co-ordinate the work of all branches of criminal administration so as to make them work as a cohesive whole in the task of maintenance of public order.

It must be conceded that outside law and order administration, the District Magistrate is not in a position to exercise effective control over prevention and investigation of crime. For one thing, these matters have

become increasingly specialised; for another, the District Magistrate's preoccupation with other duties leaves him little time for close supervision of crime work. In spite of this, the balance of advantage appears to lie in the retention of the *status quo* insofar as it concerns law and order administration. This does not imply any lack of confidence in the Superintendent of Police and his ability to undertake these tasks. All that is intended is an arrangement which leaves the final decision in law and order matters with a person, who due to various factors, is in a better position to shoulder this responsibility than the Superintendent of Police.

There is one other matter; in most States, the exact relationship between the District Magistrate and the Superintendent of Police has not been clearly defined. The clarity of the provisions of the Bombay Police Act, 1951 which deal with the relationship between these functionaries are, however, a refreshing contrast to the general vagueness prevailing in other States. Such clarity helps in minimizing cases of conflit between the two main functionaries most concerned with law and order administration.

—R. N. Chopra

II

Shri H. Rai's article draws attention to an important aspect of our civil administration, *viz.*, the relationship between the District Officer and the District Superintendent of Police. After some introductory remarks he has gone on to give the historical background, describe the existing system, state the opposing views on the system of dual control, and finally to give a brief assessment. It is somewhat disappointing that Shri Rai's comprehensive survey has not led him to the expression of any positive views on the needs of the present situation.

The historical background, appears in better perspective, if we look back a little beyond the transfer of Government to the Crown where Shri Rai begins. With the formal grant in 1765 of the Diwani to the East India Company by the Mughal Emperor—who had much before that time lost all real authority—the British in India found themselves immediately confronted with the problem of organizing some kind of civil administration. Interested primarily in the realization of revenue the British directed their main attention to revenue matters and very soon placed both the realization and settlement of the land revenue under British Collectors and other superior British Officers. On the other hand the police, whose duties included bringing of criminals to justice and maintaining law and order, continued to be left in the hands of the old agencies almost undisturbed until the Police Act in 1861, except that under the Cornwallis Code of 1793 Zamindars were divested of their power and responsibility of maintaining peace and their "duties were entrusted to a number of Darogas in every district, each working within a defined area under the direct supervision of the Magistrate". Herein lies the germ of the District Magistrate's authority to control and direct the action of the police, and much debate has arisen about the extent and nature of the "Control" *vis-a-vis* the Superintendent of Police but the basic soundness of the principle has hardly ever been seriously questioned.

—S. H. Zaheer

III

As a professional policeman, I feel grateful to Shri Haridwar Rai for two reasons: (1) for having chosen to write on a subject which in spite of its considerable importance is virtually unknown to most people in this country, and (2) for providing an illustration of how the issues involved in the question are misunderstood even by knowledgeable persons.

Before proceeding to comment on the views expressed by Shri Rai it would be appropriate to mention a few comparatively lesser known historical facts necessary for a proper appreciation of the matter.

(1) The existing arrangement, no doubt, followed the recommendations of the Police Commission of 1860. There is, however, strong evidence to show that Commission did not have any choice in the matter and that the issue had been predetermined for them by Her Majesty's Government. While forwarding their recommendations to the Government, the Commission in fact had loudly asserted that they had fully complied with the instructions received.

(2) While replying to the debate on the Police Bill in the Legislative Council on Oct. 6, 1860 Sir H. B. E. Frere, the then Home Member admitted that in principle the police should be independent of the magistrate but defended the proposed arrangement by saying that it was a compromise which was found necessary to be made in India. At the same time he expressed the hope that it would be only a temporary feature.

(3) The idea of the police being independent of the control of the District Officer had from the earliest days of the British rule been vehemently opposed by the civil servants who have always wielded tremendous influence in the Government of India. Still there were quite a few Britishers who strongly advocated the principle of the police being independent of magisterial control. In fact, a lively debate on the subject continued even after the Police Act of 1861 was passed. Sir James Stephen's Minute, however, put an end to all discussion on the subject by saying that the maintenance of the position of the District Officer was essential for the maintenance of British rule in India and that neither for improvement of justice nor for any other purpose should this position be allowed to be weakened

The arguments given by Shri Rai in recommending the present arrangement may be summarised as follows:

(1) "The arrangement is suited for and promotes integrated system of field administration" which besides being the traditional system of field administration in this country is also the system in most of the Western European countries.

(2) Supervision of the District Magistrate brings about co-ordination and resolves conflicts of interests.

(3) The District Magistrate acts both as the "symbol of the government and the personification of human relations and

enlightenment"; humanises the police and acts as a buffer between the people and the police.

While concluding his essay, Shri Rai mentions the fascination of the policy makers in India with the present system of supervision and of their "utter faith in the superiority of the generalist administrator", perhaps intending it to be taken as the final and clinching point in favour of the present arrangement.

The phrase "integrated system of field administration" has been used so frequently by the author that one begins to wonder whether he was really trying to establish his point by relying on repetition instead of reason. It is difficult to see how any administrative arrangement acquires merit merely because it fits into a particular administrative pattern, or how any particular administrative pattern becomes worthy of emulation merely because it happens to be in vogue in some parts of the globe. The prevalance of the integrated system of field administration in some West European countries is no more its qualification than its non-prevalance in other countries of the world is its disqualification. It is also intriguing to find the author quoting the example of some West European countries to gather support for his case and at the same time ignoring altogether some of the leading democracies of the world like U.K. and U.S.A. from whom we have derived the inspiration for most of our political and administrative institutions. It may be of relevance to mention here that it is the police of Britain and not of any other West European country that enjoys the highest reputation.

Conformity with tradition again by itself is no guarantee of the suitability of any system of administration. The traditional system in this country was confessedly designed to maintain the British rule over the country. If tradition is any consideration, the instant case is indeed one where a break with the past would be an eminently desirable step.

Some tall claims have been made in favour of the Collector. For example, he is described as the "personification of human relations and enlightenment", and his administrative acumen and his competence to control and supervise experienced whole time specialists in a wide variety of field is taken for granted. According to a recent survey, the average age of directly recruited IAS Collector in 1965 was 36 years and 5 months and the average length of his total service was 6 years and 4 months out of which a considerable part is spent in initial training and occasionally on district postings. The claim of such a person to the attributes mentioned earlier often solely rests on nothing better than the fact of having done a little better than others at a competitive examination before entry into service. It would not be out of place to point out that even in the revenue department directly and exclusively run by the 'superior generalist administrators' things are not really much different than they are in the other departments run by lesser men. The results in the important fields of community development and agriculture again by no means prove the efficacy of the integrated system. On the other hand, some indication of the results of the system on the morale of some important constituents of the administrative machinery can be seen in the representations which the associations of specialist services have made in the recent times to the State Governments.

The argument about the Collector's role as a coordinator is also not tenable on facts. Undoubtedly there is some scope for co-ordination at the District level. But power to command is neither a pre-requisite, nor even an essential concommitant to the ability to co-ordinate. The gross exaggeration of the importance of the co-ordinating rule of the District Magistrate may be seen from the fact that the Central Government Departments have all along been functioning without any co-ordinator at the District level.

Those who plead the necessity of the 'liberalising and humanising influence' of the District Magistrate as a justification for the present arrangement seem to be oblivious of the fact that the multitudes in the metropolitan towns in the country, *viz.*, Bombay, Calcutta, Madras, Hyderabad, Bangalore, Ahmedabad, Poona and Nagpur are doing as well as if not indeed better than their counterparts, and that the police forces in those towns have not revealed any more inhuman characteristics than the police forces in the rest of the country, even though the public are without the protection of the 'buffer' and the police are denied the blessing of the 'liberalising and humanising influence' of the District Magistrate. In fact, the plea that the District Magistrate's control should be retained because he acts as a buffer between the public and the police is evidence of muddled thinking on the subject. It is one of the basic principles of police administration that in a democracy the power of the police to fulfil their functions and duties is dependent on public approval of their existence, action and behaviour and on their ability to secure and maintain public respect and confidence. For the creation and development of a healthy relationship between the public and the police it is necessary that the police and the police alone are held responsible for all their good and bad deeds, that wrongs done by policemen are properly punished by departmental superiors, that credit where due is given to the policemen and not appropriated by undeserving outsiders, and that the public come to know and appreciate the difficulties under which the police have to function. A buffer between the police and the public is good for neither.

The confusion in thinking on the issue seems to arise from the ignorance of the role of police in a democratic society. The distinguishing feature of a democratic police force is that it functions solely as agent of the law. In a totalitarian set the police functions as agent of the Government. The objective of the police in India now is not to assist an autocratic Government in maintaining its hold over the country but to secure for the citizens of this country justice, liberty and equality through administration of the laws. The suitability or otherwise of the arrangement under discussion must be determined primarily and essentially with reference to this objective. The objection to the control of the police by the District Magistrate is basically the same which led to the separation of judiciary from the executive, *viz.*, that decisions in matters involving dispensation of justice must be based on merits alone and possibilities of such decisions being influenced by extraneous factors must be eliminated as far as possible. Justice and liberty are vitally involved in police work and decision making in this field too requires the same scrupulous insistence on merits and deserves the same protection against extraneous influences. While the district magistrate personally may have a strong sense of justice and fairplay his judgment is bound to be

affected by considerations of various policies and programmes which he as the chief executive officer in the district is required to implement.

It is sometimes argued (with occasional variations in phraseology) that the maintenance of the position of the district officer is essential for the general success of the administration. This is an implicit admission that the power and influence of the police is directly or indirectly used by the District Magistrate in furtherance of his objects in the executive field. This is exactly what should not happen in a democracy.

Apart from the considerations of *purity in the administration of laws*, the present arrangement has a highly deleterious effect on the efficiency of the organization. In a force organized on a State basis, the superimposition at an intermediate level of scores of outsiders neither belonging to the force nor even subordinate to the chief, introduces a substantially chaotic element into the organization. Again in an organization like the police where so much depends on leadership on one hand and loyalty on the other, a division of command is bound to be a constant cause of poor morale and efficiency.

The administrative fiction which describes the District Magistrate as the Conservator of peace and preserver of law and order in the district is again a great shortcoming of the present system. According to a recent survey made by a senior Civil Servant in Kerala, only 2 per cent of the Collector's time was spent on matters of law and order as against 7 per cent spent on issue of cement permits. The monstrous fallacity of the theory of magisterial responsibility for the maintenance of law and order could not perhaps be better illustrated.

It is not my contention that all the ills in the police department will be removed if the control of District Magistrate is abolished. But I do maintain that the ill effects of the present system far outweigh its advantages and that if any defects are observed in the working of the police, the remedy lies in improving the police and not in hoping for miracles by merely placing the police under the control of the Collector.

—J. P. Sharma

IV

I have read with considerable interest Dr. Haridwar Rai's article and must congratulate him for devoting his time, attention and energy to such an important but otherwise neglected subject.

What actually is the nature of this dual control has been elucidated upon in the introductory portion of the article. "The District Magistrate exercises 'general functional control' over the Superintendent of Police. The latter exercises 'organizational and professional control' over the police force. This arrangement is grounded in the system of dual supervision of the criminal administration and has been a subject of long-drawn debate in the history of Indian administration."

In other words, but for the general functional control of the District Magistrate over the District Superintendent of Police all control over the district police force whether it is administrative, technical, professional or organizational, vests in the District Superintendent of Police. And similarly the administration of the police throughout a State is vested in the Inspector General of Police and in such Deputy and Assistant Inspectors General of Police as the State Government deems fit (Section 4 of the Police Act, 1861).

It follows, therefore, that the issue of dual control of law and order administration in India boils down to this: Only the District Superintendent of Police is subject to a dual control—general functional control (general control and direction) of the District Magistrate and all administrative, technical, professional and organizational control of the I.G.P., Dy. Is.G.P. and A.Is.G.P.

And this is what Dr. Haridwar Rai also has said in these words: "Therefore, it comes to this that, subject to certain checks and supervision exercised by the District Magistrate, the officer actually and really responsible for the working of the force is the District Superintendent of Police. To him every man in the force looks for reward, punishment, promotion, transfer, leave and every thing that concerns himself."

Following a lengthy line of arguments Dr. Rai has endeavoured hard to justify the continuance of this duality of control on the grounds of : (*i*) the existing arrangement having stood the test of the times and having functioned satisfactorily; (*ii*) the District Magistrate having more intimate contacts with the public and functioning as a shock absorber between the police and public; and (*iii*) the utter faith (probably of those who matter) in the superiority of the generalist administrator.

The existing arrangements may have stood the test of the times but the times themselves have changed a lot and, therefore, the test of the times is not a sure test. With the attainment of independence and coming into force of the Constitution of India the police state has been sought to be changed into a welfare state with a shift in emphasis from maintenance of law and order to development of human and material resources. These followed by separation of judiciary from the executive and introduction of the Panchayati Raj have radically changed the pattern of the district administration and it is in the context of this change of times that the theory of the District Magistrate acting as a shock absorber, between the police and the public and the assertion of the superiority of the generalist administrator have to be judged.

And for judging these, certain factors, which have come to the fore as unescapable sequels to those far-reaching changes, have got to be reckoned with. These factors are:

Dr. Rai has pleaded that the District Magistrate brings about coordination between the prosecution and the police. He would have sounded more correct had he stated that the District Magistrate used to bring about

coordination between the prosecution and police. For with the separation of judiciary from the executive the District Magistrate has no tangible control over the Judicial Magistrates who try the Indian Penal Code cases. In these circumstances the District Magistrate's position, insofar as maintenance of law and order is concerned, is reduced almost to an anachronism.

Keeping such an anachronistic titular head acts as an irritant and unnecessarily generates antagonism and thereby slows down the tempo of execution.

If the District and Sessions Judge can relieve the District Magistrate of his out-dated responsibility of being the head of the Magistracy in the district, the District Superintendent of Police can, also equally well relieve him (the District Magistrate) of his out-dated responsibility of generally directing and controlling the police so that he (the District Magistrate) in turn may be enabled to concentrate more on land revenue and Panchayati Raj.

The District Magistrate of 1968 burdened with multiplicity of functions and harnessed and weakened by constant demands made on his time and energy has no longer time enough to do justice to his secondary role of the maintenance of law and order—the primary one comprising functions relating to land revenue, development and welfare.

In Kerala the Collector and District Magistrate's office work was recently analysed and it was found that he could devote only 2 per cent of his time to law and order matters (as against 7 per cent of his time to the issue of cement permits).

Similarly in Andhra Pradesh the Collector and District Magistrate's time is devoted to: development 50 per cent, revenue 30 per cent, magisterial 10 per cent and protocol 10 per cent.

The District Magistrate is thus already over-burdened with various land revenue, welfare and developmental affairs. It is for consideration what justice can he do to the so-called maintenance of law and order by paying 2 per cent of his time and attention thereto.

Another pertinent factor for consideration is whether the young generalist Collector and District Magistrate of nineteen sixties possesses the training, equipment and experience to supervise the police administration and act as a moderator of the laws of control in a district having an educated and well trained Indian Police Service officer as its District Superintendent of Police.

The young generalist administrator of today is not being trained and equipped to discharge these functions. He may be able to discharge the function of a keeper of order if he is given some special training and repeated refresher courses in administering the preventive sections of the Code of Criminal Procedure and handling a contingent of police—as a magistrate. With the separation of the judiciary the young administrator does not get

opportunities for continuously handling the criminal law and the re: therefore, is that he is not in a position to act as a supervisor and modera

Coming to the experience part of it the proportion of senior posts wl could be utilized for posting of I.A.S. officers as District Magistrates steadily fallen from 45.6 per cent in 1950 to 19 per cent in 1965. In 1! the number of senior duty posts in I.C.S./I.A.S. was 1689 and as aga this number, the number of posts of Collectors and District Magistr of districts was only 321. Now taking the maximum period an I./ officer has to serve in the senior scale of I.A.S. to be fifteen years, on average every I.A.S. officer will serve as a Collector and District Magist just for three years only in the whole of his 35 years' service.

It is, therefore, for consideration if a man who in all puts in just tl years as District Magistrate and who in the course of these three years devotes only two per cent of his time to law and order could be trus with controlling and directing the district police force.

It has been argued by Dr. Rai that the police is the single organized fc for the whole state and if it is left to itself it would become rigid and opp sive and that, therefore, the general control of the District Magistrate o the police should stay to serve as a healthy restraining and humanising fluence.

Here again Dr. Rai does not seem to have taken into consideration various additional controls on the police which have emerged since our cour became independent. These direct and indirect controllers comprise ministers, deputy ministers and legislators (their public accounts comn tees, starred and non-starred questions, adjournment motions and bud discussions), vigilance commissions, anti-corruption departments a administrative vigilance departments. In addition to these new contr the traditional controls of the judiciary (considerably enhanced by the se ration of the judiciary from the executive) and of the rules framed by Government under section 46 of the Police Act of 1861 can in no way lost sight of. Truly speaking their control is more potent and powerful tl the control of the District Magistrate.

The politician, the press and the public also in their own ways cont the police and not inconsiderably for that matter.

And on top of it all is the rigorous departmental control exercised the superior police officers in accordance with the provisions of the l of the land and in pursuance of the Rules framed by the I.G. of Police the State under Section 12 of the Police Act 1861 and approved by t State Government.

With so many constitutional, administrative, democratic and depa mental controls over the police existing, it is for consideration whether t control by the District Magistrate for which he has neither the time nor t energy nor the equipment should stay.

Moreover, with the separation of judiciary from the executive the co trol of the District Magistrate has become almost redundant. The so-call

rigidity of and oppression by the police can be and is curbed and checked to a great extent by the judiciary. For every arrest by the police has to be intimated to the trying judicial magistrate. The same is the case with searches made by the Police. Remands to police custody are granted by Judicial Magistrates. Challans and Final Reports are entertained by them. Convictions and acquittals in cases are within their powers. Police officers then are not immune from incurring civil liability for their illegal, irregular and unwarranted actions and this too is adjudicated upon by Munsifs and Judges (Judiciary). So also they can pass strictures against police officers. And neither the District Magistrates, nor their subordinate executive Magistrates either enjoy or have been left with any such power as has been vested by law in the judicial magistrates and judges.

Opportunities for prompt interchange of views and information in critical situations between the State Headquarters and districts which the police radio network has provided and increase in the number of Additional Deputy and Assistant Inspectors General of Police leading to closer departmental supervision of the work of the District Superintendent of Police have by loosening the bonds between the District Magistrate and the District Superintendent of Police, led to some blurring of the former's responsibility. Political and labour agitations are increasingly directed on a Statewise basis and this results in a situation where the Government, in consultation with the Police Headquarters, issues instructions of a general nature on how the agitation should be dealt with. These trends naturally point to a new orientation in the relationship between the District Magistrate and the District Superintendent of Police.

And this, it may be stated, is not an observation of anyone of the police officers who in the words of Dr. Rai are guided by narrow departmental considerations of "empire building". Instead it is the view of a senior I.A.S. Officer (Shri G. Ram Chandra) borne on the Madras Cadre.

Maintenance of order demands the exercise of firmness and sternness on the part of the maintainer. The Collector and the District Magistrate of pre-Independence times, as he was dealing with collection of revenue and maintenance of order only, could afford to be stern and firm as both these functions demanded these attributes in him. The Collector and the District Magistrate of the nineteen sixties is more a Panchayati Raj and a developmental officer where sternness and firmness are almost anathema.

It is, therefore, for consideration how could such contradictory functions like development and maintenance of order be combined in one and the same man. How could hot and cold be blown together?

The chain of command in the police departments in India, from the top downwards comprises the I.G.P., the Addl. Is.G.P., the Dy. Is.G.P., A.Is.G.P., the District Superintendents of Police, the Assistant District Superintendents of Police and so on and so forth. The District Magistrate does not fit-in in it anywhere.

For while the District Magistrate has some general control over the district police which is headed by the District Superintendent of Police, he,

in turn, is not subject to any control of the Dy. I.G.P., or the I.G.P., a fac which renders the chain of command a poorly defined one. And a poorly defined chain of command can and does create confusion, breed distrus and lower efficiency.

It has been argued by Dr. Rai that the police look at the criminal administration from the narrow police angle but the District Magistrate look at them from a broader angle.

For the sake of argument if this contention is extended a littl farther, would it not be still better if the powers of general control and direction over the district police are vested in the Pramukh of the Zila Parishad for he being an elected representative who presides over a body which has all the M.Ps., M.L.As. and Pradhans of the Panchayat Samitis of the district and a few co-opted members representing different interests as members would look at things not only from a broader angle than the District Magistrate but will in addition be in a position better to weigh the scales between the police and the public.

Carrying the argument a little farther still if the police cannot be trusted with looking at the problems of the criminal administration except from a narrow police angle, pray what is the use of keeping highly paid police officers as I.G. and Additional I.G. of Police at the State level and Deputy Inspectors General of Police having territorial and functional jurisdictions at the State and divisional levels.

These assignments could also be got made over to the generalist administrators (I.A.S. officers) so that with their wider experience of men and affairs they may look at the police problems from a broader angle and in the process do good to the community and the police itself as well.

I would now like to make a passing reference to two statements made by Dr. Rai in the aforesaid article which factually and legally are rather not correct.

At one place he has stated that the District Superintendent of Police can be vested with powers to regulate public assemblies and processions. The legal position, however, is that these powers already stand vested in the District Superintendent of Police by virtue of Section 30(1) of the Police Act, 1861.

At another place Dr. Rai has termed the police force "an official instrument at the disposal of the District Magistrate for the prevention and detection of Crime". With due deference to Dr. Rai it may be pointed out here that the position was like this in terms of the preamble to the Madras Police Act (Act XXIV of 1859) but it is not so now as the preamble to the Police Act (Act V of 1861) just declares: "Whereas it is expedient to reorganise the police and to make it a more efficient instrument for the prevention and detection of crime".

Obviously the instrument is in the hands and at the disposal of the State Government (and not the District Magistrate) to which the State police

is subordinate. The District Magistrate has been vested with only general control and direction of the administration of police in a district.

Dr. Rai has borrowed three quotations from the treatise *The Indian Police* by J. C. Curry (1932). He, however, seems, to have missed the prophesy part of his writing on the subject and this is: "These two officers thus constitute an interesting duumvirate.... The relationship between these two officers is, in fact, typical of English arrangements with their lack of logical finish.... How such a system will work in Indian hands is a matter of speculation as up to the present it is virtually untried; and Indians with equal balance, moderation and judgment have different traditions from our own. When the majority of District Magistrates and District Superintendents are Indians they may well find it necessary to evolve new standards of relationship."

And now not only are all the District Magistrates and District Superintendents of Police Indians but India itself is a democratic republic avowed to achieving the goal of a socialistic welfare state.

The discussion may now be summed up by stating that the time has come when the role of the District Magistrate in the police administration of a district vis-a-vis the role of the Inspector General of Police, the Additional Inspectors General of Police, the Deputy Inspectors General of Police and the Assistant Inspectors General of Police having territorial and functional jurisdictions deserves not only an earnest examination but a revolutionary re-orientation to suit the needs of the present day society. Colonialism has vanished. Shall we allow the remnants of colonialism to plague our administrative structure is a big question which is for consideration.

—G. C. SINGHVI

INSTITUTE NEWS

A Conference on Personnel Administration, under the chairmanship of *Shri H. V. Kamath*, Member of the Administrative Reforms Commission, was organized during March 5-9, 1968, with a view to identifying major public personnel problems, considering alternative remedies, recommending new policies or programmes, suggesting priorities to needed reforms and pointing to areas requiring further study.

The Conference was inaugurated by *Shri K. Hanumanthaiya*, Chairman, Administrative Reforms Commission with an address on "The Goals of Administrative Reforms" which he stated to be : "(*i*) Ensuring the highest standards of efficiency and integrity in the public service; (*ii*) Making public administration a fit instrument for carrying out the social and economic goals of development; and (*iii*) Making the administration responsive to the people".

Shri H. V. Kamath, Member, Administrative Reforms Commission, emphasized the human factors in effective Administration in his keynote address.

The discussion during the Conference was organized around five major areas: (*i*) Staffing higher administrative positions, (*ii*) Position Classification as a tool of personnel administration, (*iii*) A rational pay policy, (*iv*) Training and career development, and (*v*) Employer-employee relations.

Dr. Glenn Stahl, Director, Bureau of Policies and Standards, U.S. Civil Service Commission, Washington and a leading professional authority on the subject of public personnel administration was invited to participate in the Conference and more particularly to make a presentation of the concepts and techniques of position classification practised in the U.S. Federal Government.

Members of Parliament, senior officers of the Union and State Governments, and academics of the Indian Institute of Public Administration as well as outside participated.

There was a general consensus that the existing personnel management, policies and practices needed radical change to meet the political, economic and technological change that have added a new dimension to the size and complexity of government in India.

The Conference concluded with an address by *Dr. C. D. Deshmukh* on "The Implementation of Personnel Administrative Reforms".

* * *

Realizing the urgent need of preparation of municipal development plans and integrating them with the national plans with the initiative and active participation of the municipal authorities in the country, IIPA's Centre for Training & Research in Municipal Administration arranged a three-day Seminar on "Five Year Municipal Development Plans" from March 11-13, 1968. It was inaugurated by *Shri Satya Narain Sinha*, Union Minister for Health,

Family Planning & Urban Development.

The topics discussed in the Seminar included Development Plans for Municipalities, Preparation of Five Year Development Plan, Expenditure Planning, Resource Planning (Fiscal), Manpower Planning, Resource Planning (Material), Machinery of Planning (State), Planning & Implementing Agencies.

* * *

The Eighth Appreciation Course on Techniques of Administrative Improvements was conducted at the IIPA from January 1 to March 2.

Officers of the level of deputy and under secretaries in the Union Ministries and of equivalent rank in several of the states as well as officers drawn from the public sector and other specialized services participated in the course.

* * *

A three-week general course in Development Administration designed to acquaint middle and senior level administrators with some knowledge of the social sciences necessary to administrative decision-making and with the tools and techniques of administration developed by management science in recent years was conducted at the Institute from February 12 to March 3.

Government officers from the following participated: Andhra Pradesh (1), Delhi Administration (1), Gujarat (1), Harayana (1), Himachal Pradesh (2), Jammu and Kashmir (1), Kerala (2), Madras (1), Maharashtra (1), Mysore (1), Rajasthan (2), Tripura (1), Uttar Pradesh (3), West Bengal (2), and Central Ministries/Departments (10). They were organized in syndicates to make a study of selected problems. Each participant wrote, as a part of the course, a critical review essay on some classic in the field of administration. Some case studies were also made of industrial and agricultural programmes.

* * *

Since the last progress report made in Oct.-Dec. 1967 issue, the following studies, taken up by the Institute for the Administrative Reforms Commission have been furnished to the ARC after completion:

(*i*) Utilization by Industry of the Researches of National Laboratories.

(*ii*) Machinery and Procedure for Redress of Citizens' Grievances.

(*iii*) Union-State and Inter-State Relations in Multi-purpose River Valley Projects.

(*iv*) Reorganization of District Collectorates in Uttar Pradesh.

(*v*) Career Planning and Placement of Senior Officers at the Centre and in the States.

(*vi*) Combination of the Posts of Heads of Executive Agencies and of the Secretariat Departments.

(*vii*) Administration of Public Enterprises : The Steel Industry.

(*viii*) Utilization of Medical and Agricultural Research.

(*ix*) Systems of Payments and Receipts in Government Treasuries.

In addition to the above, interim report on "Pricing and Budgeting in Public Enterprises" has also been submitted to the Commission.

Under a separate project of the Institute comprising a programme of case studies, the following cases have been completed:

(*i*) Transfer of the Collector of Matsyapura.

(*ii*) Raising of Bus Fare in Bombay.

(*iii*) Package Scheme of Incentives for Dispersal of Industries.

(*iv*) Abolition of the Posts of Commissioners in Madhya Pradesh and their Revival.

(*v*) Establishment of the Fertilizer Corporation of India.

(*vi*) Of Logs and Men.

(*vii*) Railwaymen's Co-operative Bank.

(*viii*) Indian Vegetable Oils Ltd.

(*ix*) Modern Rice Mills in India —two linked case studies.

(*x*) Rubber in Andamans—two case studies, *viz.*, The Pilot Project and the Katchal Project.

The Institute staff has also prepared a number of papers on various aspects of public administration for the benefit of ARC. These include "Ten Cases in Research Development", "Co-operative Industrial Research in India", "Working of the Family Planning Clinics in Medical College Hospitals", "Managing Teaching of Family Planning in Medical Colleges", "Secrecy of Official Documents", etc.

* * *

It has been decided that the Centre for Training & Research in Municipal Administration of the Institute would bring out an illustrated quarterly Newsletter to report important developments in the field of urban administration. The first issue of this Newsletter is expected to be out in June 1968.

The Centre would also shortly bring out the following booklets:

(*i*) Organization and Structure of Municipal Government,

(*ii*) Municipal Personnel,

(*iii*) Municipal Finance, and

(*iv*) Municipal law.

The last one would be brought out in collaboration with the Indian Law Institute.

* * *

On January 22, *Prof. Richard N. Gardner*, Professor of Law and International Organization at Columbia University (USA), spoke on "New Directions in U.S. Foreign Economic Policy" at the Institute.

Dean Stephen K. Bailey of the Maxwell School of Citizenship and Public Affairs, Syracuse University (USA), spent the morning of January 24 at the Institute and delivered a talk on "Some Problems of Training Public Personnel". Faculty members, Research Staff, and a number of Special invitees were present.

* * *

Dr. John B. Holden, Director, Graduate School, U.S. Department of Agriculture, who was in India to learn about continuing education programmes for governmental employees and others, visited the Institute

on February 6. He met the Director and discussed, among other things, matters connected with training courses conducted by the Institute.

The following were received at the Institute in recent weeks: *Sir Sydney Caine*, former Director of the London School of Economics and Political Science; *Dr. David Butler*, Fellow of Nuffield College, Oxford (December 18, 1967); *Dr. Louis Hartz*, Professor of Government at Harvard University (December 23, 1967); *Dr. Francois van Hoek*, Head, Training and Cooperation Division of the Paris-based Organization for Economic Development and Cooperation (January 15, 1968).

They also spoke on various topics or held informal discussions with the Faculty and the Research Staff.

* * *

Dr. M. J. K. Thavaraj, Reader, Economic Policy and Administration, has been appointed Chairman of a Taxation Enquiry Committee, constituted by the Government of Kerala, to make *inter alia*, a comprehensive study of the Taxation Structure in the State and to suggest fresh avenues of revenue.

* * *

Partially with the cooperation of the State Government, the *Madras Branch* is undertaking an expansion of its activities with the purpose of carrying its services to a wider section of interested persons/parties in the region. The basic aim is not only to strengthen itself by the addition of new programmes but also to stimulate and assist research in the field of public administration. Some of the steps already initiated or considered desirable in the direction are: (*a*) a drive to enroll new members with a view to achieving a target of at least 250 by the end of March (in order to attract membership from amongst the non-gazetted officials, some discount in the annual fee is proposed to be offered to them by the Branch out of its own funds); (*b*) settnig up a library; (*c*) sponsoring and organizing more lectures and discussions; (*d*) stepping up its research programmes; and (*e*) establishing a liaison with the Madras University and other academic bodies to promote research work, holding of seminars, etc.

* * *

Shri R. G. Mulgund, Administrative Officer, IIPA, during two days in *Madras* in December met senior officers of the Madras Government, including the Chief Secretary, and had discussion with them.

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Shri. K. N. Butani, Project Director, Case Studies (IIPA) spoke on "Case Studies in Administration" at the *Poona Regional Branch* on January 3.

Dr. Richard N. Gardner, Professor of Law and International Organization, Columbia University (U.S.A.), delivered a lecture on "The Relation of Law and Politics in the United Nations" at the *Maharashtra Regional Branch* of the Institute on January 17, 1968.

Shri Vishnu Sahay, Governor of Assam and Nagaland delivered a lecture on "Morale in the Public Services" at the *Assam Local Branch*, on February 10, 1968.

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

ADMINISTRATIVE REFORMS

The following Study Teams' Working Groups appointed by the Administrative Reforms Commission submitted their reports since our last review:

(1) Study Team on Machinery of Government,
(2) Study Team on Defence Matters (Part I only), and
(3) Working Group on Central Direct Taxes Administration.

The Administrative Reforms Commission presented the following final reports to the Government of India:

(1) Finance, Accounts and Audit (a digest of this report appears at p. 210 of this issue), and
(2) Machinery of Planning.

ADMINISTRATIVE REORGANIZATION

No change worth mentioning occurred in machinery of Government at the Centre during the period under review. At the state level, however, an important development occured in *Bihar*, which fell in line with other States by setting up a State Committee on Planning with he Minister in charge of Planning as its Chairman for formulating plans and for evaluation of performance. The functions of the tate Committee on Planning are:) Continuous appraisal and aluation of the progress of the ate economy and formulation of proposals for effective utilization and development of the State's natural, financial and human resources; (*ii*) Formulation of broad objectives of the development plan and elaboration of the plan objectives into long term, medium term and short term plans and specific projects and programmes; (*ii*) Advising the State Government on the formulation of the periodical plans, evaluation of the progress of the plans and the effective implementation of the schemes; and (*iv*) To arrange for svrvey and studies through Government departments, research institutions, universities and other suitable agencies for collection and appraisal of economic, social, scientific and technical data required for planning.

The Government of *Jammu & Kashmir* set up a Grievance Cell in the Civil Secretariat to deal with all cases of complaints and grievances involving procedural matters, implementation of rules and orders already issued or which indicate a need for amendment to the existing ones. The grievances regarding corporations will, however, continue to be disposed of in accordance with the existing procedure.

The Government of *Madhya Pradesh* also appeared to be preparing for a major overhaul of administrative machinery. It has set up a three-member Committee, under the chairmanship of the Special Secretary, Revenue Department, to examine the set-up of various departments with a view to effecting economy in expenditure

consistent with maximum efficiency in administration. The Secretary of the department under consideration would be co-opted as a member when proposals in respect of that department are taken up. The Committee has been asked to examine the entire hierarchical set-up for each department from the office of the Head of Department down to the lowest subordinate office and institution, go into the question of reorganizing the department, and make suggestions regarding the absorption of staff likely to be rendered surplus as a result of its recommendations. Before finalizing its recommendations, the Committee will seek the advice of the Federation of Class III Employees which would nominate three permanent representatives for assisting it in this work. To these will be added one representative of class III employees of the department under examination. The recommendations of the Committee would be submitted to a Cabinet Sub-Committee to be set up for the purpose of taking decisions thereon.

The Government of *Orissa* has decided to set up a Housing Board in order to ensure efficient administration and implementation of different types of housing schemes and programmes in the State.

As a first step towards the formulation of Fourth Five Year Plan of the State, the *Punjab* Government has set up a Working Group with the Financial Commissioner (Taxation) as its Chairman. The Working Group will make a exhaustive assessment regarding the funds that the State can provide for the Fourth Plan taking into account all aspects of revenue and expenditure. The Working group has been employed to associate with itself eminent economists and experts in the various fields.

The Government of *Uttar Pradesh* has set up a 22-member State Health Advisory Committee, and 13-member Health Advisory Committee at the district level so that there may be proper coordination between the public Health and Medical Departments of the Government and the public. The State Health Advisory Committee will mainly supervise the work of the District Committees and will assist the Government in formulating policies in respect of basic problems regarding public health. District Committees will also inspect, from time to time, all State hospitals and dispensaries and will seek the cooperation of the public in raising funds for expansion and development of medical facilities.

AGRICULTURAL ADMINISTRATION

The Government of India have set up a Central Advisory Committee for Agricultural Production under the chairmanship of the Minister of Food, Agriculture, Community Development and Cooperation which will represent various shades of political opinion as well as various interests intimately connected with agricultural development including leading progressive agriculturists, non-official agricultural institutions and farmers' agricultural labour associations, as well as agricultural administrators, economists and scientists and will advise on measures for mobilization of public support and participation, and efficient implementation of the agricultural programmes.

On the question of providing adequate finance to cooperative farming societies the Government of India have further advised the State Governments that farming societies would be treated on par with credit

societies in respect of short- and medium-term credit. The following main features of policy for adoption by the Central cooperative banks have been indicated: (*a*) short-term credit should be given on the basis of production programme, crop being security for loan; (*b*) medium-term loans should be provided to cooperative farming societies on the same basis as provided to other agriculturists; and (*c*) cooperative farming societies should be required to market their produce through marketing societies, which should recover loans due to Central banks.

At the state level, the Government of *Bihar* has decided to constitute a Food and Price Control Advisory Committee with the Chief Minister as its Chairman. The functions of the Committee will be to consider, and advise the Government on: (*a*) preparation and implementation of the annual and periodical food policies of the State Government; (*b*) imposition and enforcement of controls on movement and prices of foodgrains including edible oil and oil-seeds; (*c*) procurement (both internal and external) and distribution of foodgrains including edible oil and oil-seeds; (*d*) administration of laws, rules and orders relating to foodgrains including edible oil and oil-seeds; (*e*) procurement, distribution and price control of essential commodities, like sugar, cement, coal, kerosene, etc.

With a view to minimizing delays in land acquisition proceedings, the Government of *Maharashtra* has decided that in future land acquisition proceedings should be completed within one year. Accordingly, time limits have been prescribed for completion of the several stages in the land acquisition proceedings, such as preliminary notification, survey and investigation, filing of objections, hearing of objections, etc. As additional staff will be required for the strict observance of the prescribed time-table, the Land Acquisition Officers and Special Land Acquisition Officers have been asked to submit to the Divisional Commissioner information in respect of cases pending with them indicating the additional staff including survey staff that would be required. The Commissioners have been asked to suggest the norm to be fixed as to how many cases a Land Acquisition Officer should complete within a month and the additional staff that would be required on the basis of the norm.

The *Uttar Pradesh* Agriculture Board has decided to appoint a seven-man committee on irrigation for evolving ways to remove difficulties of farmers in getting loans, power connections and technical guidance for minor irrigation works and for maximum utilization of available irrigation potential. The Board has asked the State Agro-Industries Corporation to start such ventures as might directly benefit farmers and also earn profits for it. The corporation will soon set up ten servicing centres at the Divisional headquarters. It will also provide loans to farmers for minor irrigation works in 23 districts.

INDUSTRIAL ADMINISTRATION

Relaxation in the licensing procedures was announced by Government of India in December, 1967 whereby diversification of production up to a specified limit by the licensed/registered industrial undertakings into items falling under the Priority Group of Industries was allowed without the formality of obtaining an industrial licence even if it involved import of raw materials. This was mainly done with a view to achieving fuller

utilization of the existing installed capacity and boosting production in the Priority Group of Industries. More recently, with effect from the February 7, 1968, one more industry, *viz.*, wheeled agricultural tractors and power tillers has been exempted from the licensing provisions of the Industries (Development and Regulation) Act, 1951. This has been done to provide encouragement for the speedy setting up of further capacity in this industry to assist the programmes of accelerated agricultural production.

A sub-committee of the Central Advisory Council of Industries has been formed to advise the Government about the general principles to be followed in issuing licences for new undertakings or substantial expansions. The sub-committee will also review all licences issued, refused, amended or revoked, etc., from time to time. The sub-committee will be headed by Shri P.L. Tandon.

The Government of India has constituted an Advisory Council on Trade in place of the Export-Import Advisory Council. The Union Commerce Minister is the Chairman of the Council. The new body whose functions cover not only the field of exports and imports but also problems of internal trade will have an initial tenure of two years from January 1, 1968. The Advisory Council on Trade will review, twice a year, the performance of the country's economy in its commercial aspects, considers problems relating to the exports, the regulation of imports, the operation of import and export trade controls, the working of commercial services, with particular reference to export marketing and export assistance, the organization and expansion of the export sector of the economy, and the arrangements in regard to internal trade, with particular reference to the procurement, sale and distribution of essential commodities.

A Group of experts, who recently completed a study on "Price fixation in Indian Industries", have suggested the setting up of an industrial price commission to evolve sound principles of price fixation based on expert knowledge in the fields of accountancy, economics and administration. The study was sponsored by the Economic Research and Training Foundation of the Indian Merchants' Chamber (Bombay) in collaboration with the Institute of Chartered Accountants of India.

The Government of India has appointed a 16-Member Industrial Committee on Banking Industry under the chairmanship of the Union Minister for Labour and Employment. The Committee will consist of representatives from Central and State Governments and organizations of employees and employers. There are already 14 other Industrial Committees on different industries like cement, coal mining, cotton textiles, jute plantations, iron and steel, and engineering industry. These Committees help in solving various problems concerning the Industry.

As a step towards helping the state industrial units the Government of *Madhya Pradesh* has directed all purchasing officers that orders for the manufacture or purchase of articles for the public service should invariably be placed with the industrial units run by the Madhya Pradesh State Industries Corporation, the Madhya Pradesh Laghu Udyog Nigam or the Department of

Industries. It will not be necessary to call for tenders in respect of purchases made from a State-owned Corporation who will fix the prices of articles. The prices fixed by the Corporations for various articles, manufactured by them for supply to Government will be reviewed every six months by a Committee to be set up for the purpose of ensuring that such prices are reasonable. It will be permissible to order purchases from other sources only if a State-owned Corporation is unable to make the necessary supplies.

The one-man Commission appointed by the Government of *Kerala* to enquire into the financial position of the *Kerala* State Electricity Board has emphasized in its report the importance of better employer-employee relations to maximize returns. The Report says that much time and money are now being spent for the settlement of disputes, and the execution of works and collection of revenue are delayed, causing losses and consequent difficulties in the ways and means position. It has also become very difficult to enforce discipline. The Commission has, therefore, suggested that the Board should explore the possibility of arriving at a long-term agreement with the various Unions and Associations, as was done by the Mysore State Electricity Board sometime back, with a view to restoring a peaceful atmosphere.

FINANCIAL ADMINISTRATION

The one-man Committee on "Rationalisation and Simplifications of the Tax Structure" headed by Shri S. Bhoothalingam, former Finance Secretary, presented its report to Union Government on March 5, 1968. The Committee has proposed changes in the income and corporation taxes and the introduction of a general excise duty of 10 per cent on all units of production on which the Centre is competent to levy duty under the Constitution. While the existing excise duties should continue on 14 types of commodities, the report suggests, all other existing excise duties may be substituted, as soon as possible, in the course of five years, by the general excise duty from which the yield in the beginning should be Rs. 115 crores. About direct taxes, the report has recommended the abolition of the dividend tax (already given effect to in the budget), the abolition of the surtax and development rebate. Other recommendations include the adoption of a uniform rate for all domestic companies, and amortization of capital expenditure. The report also deals with procedures for tax assessment and suggests the adoption of a uniform tax year beginning from July 1 for direct tax assessments.

A major recommendation in the field of personal income is the raising of the exemption limit for tax from Rs. 4,000 to Rs. 7,500 for individuals and the fixing of the limit at Rs. 10,000 or 11,000 for Hindu undivided families. For the slab of Rs. 7,500 to Rs. 10,000 a rate of 7.5 per cent of the total income has been recommended. Where the total income exceeds Rs. 10,000 but not Rs. 15,000 the tax will be Rs. 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000 and so on for higher slabs. It has also been proposed that the levy of a tax on all capital (owned and borrowed) of companies at the rate of one per cent and a simultaneous reduction of the general level of tax on profits of corporations by 10 per cent. The standard rate of tax on profits of corporation should then be 45 per cent. The capital tax would apply to all companies, foreign or Indian, irrespective of whether profits are

made or not. In the case of co-operative societies, taxation of profits exceeding Rs. 25,000 as a standard rate should be 10 per cent less than that of the company. The Report has suggested that an inheritance tax in place of estate duty, based on what a person receives rather than on what a person leaves, would be both more equitable and rational. Similarly, in regard to gift tax, it would be more logical and convenient if the liability to pay the gift tax is formally laid on the donees rather than on the donor as present.

The Union Government announced the setting-up of the Fifth Finance Commission to suggest the governing principles and proportion of Central revenues to be developed to the State Governments. The Commission has been asked to submit an interim report by the end of September this year and the final report by the end of July next year. The period of recommendations pertain to five years starting from 1969 financial year.

More specifically the Commission has been asked to make recommendations as to the following matters: (*a*) The distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I of Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds; (*b*) The principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States which are in need of assistance by way of grants-in-aid of their revenues under Article 275 for purposes other than those specified in the provisions to Clause (1) of that Article and other than the requirement of the Five Year Plan; (*c*) The changes, if any, to be made in the principles governing the distribution amongst the States of the grant to be made available to the States in lieu of the repealed tax on Railway passenger fares; (*d*) The changes, if any, to be made in the principles governing the distribution amongst the States under Article 269 of the net proceeds in any financial year of estate duty in respect of property other than agricultural land; (*e*) The desirability or otherwise of maintaining the existing arrangements under the additional duties of excise (goods of special importance) Act, 1957, in regard to the levy of additional duties of excise on sugar, textiles and tobacco in lieu of the States' sales taxes thereon, with or without any modifications, and the scope for extending such arrangements to other items or commodities; (*f*) Irrespective of the recommendations made under item (*e*) above, the changes, if any, to be made in the principles governing the distribution of the net proceeds in any financial year of the additional excise duties leviable under the 1957 Act aforesaid on each of the following commodities, namely; (*i*) Cotton fabrics, (*ii*) Silk fabrics, (*iii*) Wollen fabrics, (*iv*) Rayon or artificial silk fabrics, (*v*) Sugar, and (*vi*) Tobacco (including manufactured tobacco), in replacement of the States' sales taxes formerly levied by the State Governments—provided that the share accruing to each State shall not be less than the revenue realized from the levy of the sales tax for the financial year 1956-57 in that State; (*g*) The principles which should govern the distribution of the net proceeds of such additional items or commodities as may be recommended under item (*e*) above for levy of additional excise duties in lieu of the States' sales taxes thereon; (*h*) The scope for raising revenue from the taxes and duties mentioned in Article

269 of the Constitution but not levied at present; (*i*) the scope for raising additional revenue by the various State Governments from the sources of revenue available to them; and (*j*) The problem of unauthorized overdrafts of certain States with the Reserve Bank and the procedure to be observed for avoiding such overdrafts.

PERSONNEL ADMINISTRATION

Cadres

The Armed Forces Headquarters civilian personnel have been constituted into three services with better scales of pay and reorganization of grades. The services formed are AFHQ Civil Service, AFHQ Clerical Service and AFHQ Stenographers Service.

The pay scales and status of various officers and staff in the Armed Forces HQ have also been upgraded and re-designated. The Civilian Staff Officer (Grade I) will now be called Senior Civilian Staff Officer in the pay scale of Rs. 1100-50-1400 in place of Rs. 900-50-1250. The Civilian Staff Officer (Grade II) and the Officer Supervisor will be combined into one grade called Civilian Staff Officer (Class I) in the pay scale of Rs. 740-30-800-50-1150. Similarly, the posts of Superintendents have been upgraded from Class II (non-gazetted) to Class II (gazetted). The posts of Assistants have been upgraded from Class III (non-gazetted) to Class II (non-gazetted).

The posts of Stenographers (Grade I) have been upgraded from Class II (non-gazetted) to Class II (gazetted) and the maximum of their pay scale has gone up to Rs. 650, instead of Rs. 600 as at present. The posts of Stenographers (Grade II) have been upgraded from Class III (non gazetted) to Class II (non-gazetted).

Recruitment & Training

The Working Group to study the progress of representation of Scheduled Castes in Services has, in their report, suggested a number of drastic measures for seeking adequate representation to these communities. Some of the more important recommendations are as follows: (*i*) In order that the Scheduled Castes are absorbed in increasing numbers in services, it is essential to lay the greatest stress on schemes of education (including guidance and coaching) and vocational training to equip them with basic skills required for competing successfully with other and over-coming environmental handicaps; (*ii*) In particular services where the quota for direct recruitment is 50 per cent or less and the posts are filled by promotion through competitive examination limited to departmental candidates, reservation may be made for the Scheduled Castes to the extent of 12½ per cent. Such reservation, however, may be given initially only in the case of posts up to Class II which are filled by promotion through competitive examination limited to departmental candidates; (*iii*) As merit is an essential condition in the higher posts which require initiative, judgment and administrative abilities, promotions should be made by selection of the best candidates available in the field of promotion. In promotion by selection to posts up to Class II, the claims of Scheduled Caste employees should be considered in their own turn on the basis of seniority provided they fulfil the minimum requirements for promotion to the next higher post. They should not be superseded by non-scheduled caste junior officers who may have been graded better than them but by only one degree. However, Scheduled Caste employees should not be promoted on the above concession to more than 25 per cent of the vacancies in a year;

(*iv*) Reservation should not be granted at the time of confirmation as this leads to the anomalous situation of junior Scheduled Caste officers who have entered services much late becoming senior to officers who have entered service much before them and under whom they have worked. This would effect adversely the morale of the services; (*v*) As an experimental measure, it would be desirable to select the best among the candidates being considered for selection, give them in-service training and confirm them only after they have acquired the requisite proficiency. In the initial stages this could be confined to the non-technical and quasi-technical posts ; (*vi*) Public sector undertakings should be made to follow the same rules and procedures for recruitment of Scheduled Castes as followed by the administrative departments concerned for posts under their control. As a part of the planning of manpower needs, these undertakings should indicate to the National Empolyment Service their manpower requirements so that Scheduled Caste candidates could be given training to meet these needs. Where training programmes are implemented within the public sector undertakings, the same percentage of seats should be reserved for Scheduled Castes as are reserved for them in the service; (*vii*) The State Government establishments should maintain rosters to ensure proper representation of Scheduled Castes. They should strictly follow the procedure laid down in this regard ; (*viii*) All State Government establishments should while notifying the vacancies to the Employment Exchanges, specify the number of vacancies reserved for Scheduled Caste candidates; (*ix*) It should be desirable to appoint persons from Scheduled Castes as members of recruitment authorities, such as Union and State Public Service Commissions and the Railway Service Commission; and (*x*) In any assessment of the nature and dimensions of the problems leading to non-selection of Scheduled Caste candidates accurate statistics are necessary. A Cell should be set up in the Ministry of Home Affairs entrusted with the responsibilities of collecting the necessary information from the Central and State Governments and public sector undertakings.

The *Jammu & Kashmir* Government has introduced a training programme for such of the Kashmir Administrative Service Officers as have had no revenue and magisterial training before. These officers will be required to learn the technicalities of the Revenue Training Schools. Thereafter Senior/Junior cadre officers will be assigned field duties by the Deputy Commissioner concerned as Assistant Commissioners/Tehsildars. The training programme will be supervised by the Deputy Commissioners concerned personally and they will submit assessment reports to General Department through Financial Commissioner. The officers sent for training will be required to maintain a detailed daily diary which they will submit in duplicate to the Deputy Commissioner. One copy with the Deputy Commissioner's remarks will be returned to the trainee immediately. The trainee will be required to keep the diaries available for inspection by the Chief Secretary during his visits.

Conditions of Service

The Government of *Assam* has delegated the powers to impose the penalties of censure, withholding of increments or promotion and recovery from pay of the whole or part of any pecuniary loss caused by negligence or breach of orders to the Government or any other authority to whom the services had been lent, to the Commissioners in respect of

State Civil Service officers below the rank of Sub-Divisional Officer, to the Secretaries in respect of ministerial staff up to the level of Superintendent and Grade IV staff in their Departments, to Heads of Departments in respect of all gazetted officers serving under them, and to the Deputy Commissioners and Sub-Divisional Officers in respect of certain categories of non-gazetted staff serving directly under them.

Retirement & Pension

The Government of India have agreed to the proposal of the University Grants Commission to introduce Pension-cum-General Provident Fund-cum-Gratuity and Provident Fund-cum-Gratuity schemes in the Central Universities from April 1, 1968. Both the schemes might be reviewed in 1970.

Following an amendment of the *Jammu & Kashmir* Civil Service Regulations, it has been decided that the Government may require any Government servant other than an inferior servant to retire at any time after he has completed 25 years of qualifying service or on attaining 50 years of age if such retirement is considered necessary in the public interest, after giving a notice in writing to the Government servant at least 3 months before the date on which he is required to retire. For obtaining recommendations for compulsory retirement in the public interest, two Departmental Committees have been established by the Government one for gazetted officers and the other for non-gazetted officers. The recommendations of these two committees will be put up for orders of the Government through the Chief Secretary.

Pay & Perquisites

The Government of *Andhra Pradesh* has revised, with effect from January 1, 1968, the dearness allowance of its employees, including teachers and quasi-Government servants, as follows (please read under these headings: pay limit -present DA rate-new DA rate): Below Rs. 90-47-59, Rs. 90/149-70-84; Rs. 150/209-90-106; Rs. 210/399-110-128; Rs. 400/449-120-140; Rs. 450/468, amount by which the total falls, short of Rs. 580.

The Government of *Kerala* also increased, with effect from December 1,1967, the dearness allowance of its employees, drawing up to Rs. 468, as follows: Below Rs. 90, DA-59; Rs. 90-109, DA-78; Rs. 110-149, DA-84; Rs. 150-209, DA 106; Rs. 210 399, DA-128; Rs. 400-449, DA-140; Rs. 450-468, amount by which pay falls short of Rs. 589.

The Government of *Uttar Pradesh* has granted 100 per cent increase in the salaries of Government Advocates, Deputy Government Advocates, and Assistant Government Advocates of the Allahabad High Court. The raise will take effect from January 1, 1968.

OTHER ADMINISTRATIVE DEVELOPMENTS

The Government of India has appointed a 20-Member Advisory Committee on the Press Council with the Minister for Information and Broadcasting, Shri K. K. Shah, as Chairman. The Committee shall study the existing Act under which the Press Council of India has been set up and suggest such amendments as may be considered necessary to enlist for the Council full and effective co-operation from all sections of the Press and public and to enable it to play its due role in preserving the freedom of the Press and improve standards of journalism in the country which are in conformity with the basic objectives of the Council. The Committee is expected to submit its

report to the Government by March 1, 1968.

* * *

The Union Home Ministry has asked the various Central Departments which have dealings with public to give wide publicity to the arrangements made by them for redressal of the facility as also the names and addresses of officers, who would give the common man the correct information, should be fully explained. Besides using other communication channels the departments have been asked to issue brochures, pamphlets and press notes giving full details of the grievances procedures and other relevant information required by the members of the public. The Public Grievances Commissioner had stated in his report that aggrieved persons had complained to him that ignorance about Government policies and procedures stood in their way of approaching the right person. They were, therefore, unable to get correct information and this added to their frustration. The Grievances Commissioner had recommended that rules and procedures of interest and use to public should be widely publicised.

* * *

Government of India has decided to set up an Institute of Company Secretaries as non-profit making organization under the Companies Act. Persons possessing the following qualifications will be eligible for the membership of the Institute: (1) All existing holders of Government Diploma in Company Secretaryship; (2) Any person who at the time of incorporation of the Institute is engaged in the service of the Secretarial Department of an established organization even though he does not possess the normal requisite qualifications to be registered as a member of the Institute and fulfils such conditions as the Council of the Institute may specify with the approval of the Central Government; (3) Any person who has passed such examination and completed such training as may be prescribed by the Institute; and (4) Any person who has passed such other examination and completed such other training without India as is recognized by the Government of India as equivalent to the examination and training prescribed for the members of the Institute.

* * *

A Commission on Major Ports has been set up, with Shri R. Venkataraman, a Member of the Planning Commission, as its Chairman. It will undertake a detailed study of the various problems concerning the needs of major ports relating to port finances, port economics, efficiency of port operations and the capacity of the ports to generate more internal resources for development as well as to better the conditions of the workers employed by them. It will be the first systematic enquiry into the economics, financial administration and development problems of our major ports, in the light of the changing port and shipping technology, to be conducted by this Commission.

* * *

The Programme Evaluation Organization in its report on evaluation of rural manpower projects has suggested that the selection of areas to be covered by the programme should be based on regular survey of unemployment and under-employment, which should give details regarding the periods of extreme unemployment and under-employment so that the execution of the works programmes could be timed accordingly. In addition,

a master plan of works should be drawn up for these selected areas with a view to avoiding the problem of piece-meal technical sanctions and dovetailing schemes taken up under the rural manpower projects with other programmes.

* * *

The Government of India has decided to set up a Board of Rehabilitation, comprising national leaders and leaders of industry to advise Government on industrial and related programmes for the resettlement and integration of more than one million displaced persons and repatriates from other countries. The Board will be headed by Shri Manubhai Shah, former Union Minister for Commerce. The terms of reference of the Board are: (1) To advise Government policies and measures concerning the resettlement of displaced persons from East Pakistan and repatriates from Burma, Ceylon and other countries, in industry and under other non-agricultural programmes; (2) To study in depth the major difficulties and problems encountered by the Central and State Governments in: (*a*) the resettlement of displaced persons and repatriates under industrial, technical training and other non-agricultural programmes, and (*b*) the industrial development of Dandakaranya Project area and other areas declared as "Special Areas"; (3) To evaluate the functioning schemes and progress of the Rehabilitation Industries Corporation with reference to the Corporation's main aims and objectives; and (4) To assist Government in the planning, formulation and execution of: (*a*) measures essential for placing the Rehabilitation Industries Corporation on a sound economic footing, (*b*) a future pattern of programmes and schemes for the resettlement of displaced persons and repatriates under industrial, technical training and non-agricultural programmes through the Rehabilitation Industries Corporation, State Government, the public sector and private Industrial and commercial enterprises, (*c*) a comprehensive policy of incentives and facilities to be offered to industry and trade for maximizing the employment of displaced persons and repatriates, and (*d*) measures essential for accelerating the industrial development of Dandakaranya and the development of "Special Areas" (Andaman and Nicobar Islands, and Chanda District in Maharashtra).

* * *

A noteworthy development in state administration during the quarter under review was that the Government of *Punjab* decided to switch over to Punjabi in the administration at and below the district level from January 1, 1968, and at and below the Secretariat level by April 13, 1968.

Similarly, the Governments of *Rajasthan* and *Uttar Pradesh* also decided to switch over to Hindi. The Government of *Rajasthan* ordered a complete switch over to Hindi with effect from January 26, 1968. Correspondence with the Central Government will, however, be carried on in English. Such government servants who are more than 45 years of age and whose mother tongue is not Hindi will be permitted to continue to work in either of the two languages, as convenient; those who are below 45 years have, however, been asked to pick up a working knowledge of Hindi within the next five years. Another exception to this rule is the Law Department which has been allowed to continue to transact its business in English for a period of three more years. The Government of *Uttar Pradesh* decided that with effect from January 26, 1968, all

official correspondence with the Government of India, Accountant General and other State Governments will be done in Hindi.

JUDICIAL DECISION AFFECTING ADMINISTRATION

Dismissing two linked appeals by the State Government of Punjab against the judgment of the Letters Patent Bench of the Punjab High Court, which had allowed the writ petitions of two school teachers, the Constitution Bench of the Supreme Court, in a judgment delivered on February 2, 1968, has held that an employee appointed or promoted to a post "on probation" must be deemed to have been confirmed in that post by implication if he is allowed to continue in the post after the completion of the maximum period of probation prescribed by the rules.

DIGEST OF REPORTS

*INDIA, REPORT ON PUBLIC SECTOR UNDERTAKINGS,** Administrative Reforms Commission, Government of India, New Delhi, 1967, p. 123, Rs. 2.90.

(The Administrative Reforms Commission have so far presented the following three reports : (*i*) Problems of Redress of Citizens' Grievances, (*ii*) Machinery of Planning (Part I), and (*iii*) Public Sector Undertakings. A digest of the first report was published in April-June, 1967 issue. We give below a digest of the report on Public Sector Undertakings—*Editor*)

Public enterprises have assumed a key role in the economy of the country since Independence and their performance will in future largely determine the speed and effectiveness with which we can achieve our social and economic goals.

(1) Quite often, the public undertakings are criticized on the ground that the returns from them are very meagre as compared to private enterprises. The Study Team† appointed by the Commission has drawn attention to several special features of the public sector which are often disregarded in making critical statements on the performance of the public enterprises. It has pointed out that a substantial amount of investment is as yet tied up in undertakings under construction and further that it would not be fair to expect the promotional and developmental undertakings to give commercial returns on the capital invested in them.

(2) It is clear that most of the investment has been on heavy industries and in areas where trained manpower and technical know-how was generally not available in the country. Also these projects were set up more or less to force the pace of economic development and their management very often found themselves entrusted with the responsibility of operating a large and sophisticated complex without adequate support from ancillary industries. The large capital outlay on these projects with tied foreign aid necessitates two provisions of sizable amounts towards depreciation. This makes it difficult for the management now to secure a high rate of return on the capital invested in these projects.

(3) In judging the performance and shortcomings of the public enterprises, it is also important to bear in mind certain features which distinguish them from the enterprises in the private sector. The public undertakings are, no doubt, enjoined to observe business and commercial principles, but it is obvious that the

* The Commission have not dealt with in this report the enterprises run directly by Government. Similarly, Commission have not dealt with certain aspects of commercial and financial organization in the public sector, leaving them to be dealt with in their report on Economic Administration.

† The term 'Study Team' refers to the Study Team on Public Sector Undertakings.

profit motive cannot be such an overriding factor in their case as it is in private enterprise. For example, in State trading, location of projects in backward regions, or operation of domestic air services on uneconomic routes, public interest rather than profit motive is the deciding factor. Public undertakings also face problems in securing managerial personnel of high quality. It was but natural that in the beginning, most of the managerial personnel in the public undertakings should have come from Government departments and not from the industrial and commercial fields. For several reasons, the terms and conditions of service in the public undertakings have to bear a relation to those prevailing in the Government departments. This makes it difficult for them to procure the services of persons well versed in management skills to the same extent that the enterprises in private sector can do.

(4) It cannot be gainsaid that the public undertakings in India have served as powerful instruments for achieving social and economic objectives. Serious gaps in the economy, particularly in the field of heavy industries, such as manufacture of steel, heavy machine tools, heavy electricals equipment, exploration and refining of oil, production of defence equipment have been overcome through public enterprise.

(5) An important economic objective of State enterprisess in India, which has come to be increasingly recognized in recent years, is the generation of surpluses for purposes of further development. Such a contribution to the accumulation of capital by public enterprises is particularly important in view of the limits to the raising of taxes and to the floating of loans for developmental purposes. The Industrial Policy Resolution of April 1956 states that : "it is to be expected that public enterprises will augment the revenue of the State and provide resources for further development in fresh fields". At the end of the Third Plan period, the total internal surpluses generated by the public undertakings of the Central Government were of the order of Rs. 287 crores. Of these, Rs. 69 crores were retained by the enterprises for self-financing and as much as Rs. 218 crores were utilized towards provision for depreciation. The Draft Outline of the Fourth Five Year Plan envisages a surplus of Rs. 760 crores from the Central Government enterprises (excluding railways) and Rs. 325 crores from the enterprises of the State Governments.

(6) The public sector undertakings have also helped to reduce the regional imbalances through a planned dispersal of the new industries. Broadly speaking, Government have kept in view the claims of the relatively backward areas in locating new public sector enterprises insofar as this could be done without disregarding the essential economic and technical considerations. Thus, steel plants have been located in Madhya Pradesh, Orissa, West Bengal and Bihar; fertilizer in Bihar, Orissa, Assam, U.P., Kerala, Punjab and Maharashtra; precision instruments factories in Rajasthan and Kerala and the new machine tools plant in Rajasthan.

(7) Other important objectives of public enterprises are : (*a*) increasing opportunities for gainful employment; and (*b*) prevention of concentration of economic power in private hands. Employment has increased considerably with the expansion of the public sector. The number of employees in the Central enterprises other than Railways, Posts &

Telegraphs, and ordinance factories increased from about 1.54 lakhs in 1959-60 to 4.7 lakhs in 1965-66. The growth of investment in the public sector helps to reduce the concentration of economic power in private hands. The share of the public sector as a whole in the reproduceable tangible wealth of the country which was about 15 per cent in 1950-51, increased to 35 per cent by the end of the Third Plan period. The progressive increase in the assets of the public undertakings implies increasing control of the country's economy in the public interest.

(8) While the public enterprises have strengthened and diversified the Indian Economy and given impetus to economic growth, their working has also revealed defects which need to be removed with a view to improving performance in the future. Several public sector projects have taken longer time in construction than originally estimated, due to defects in planning and delays in sanctions. Capital expenditure has been avoidably high in many projects resulting in over-capitalization.

(9) Several public sector projects have accumulated substantial losses. It is, of course, true that in projects having long gestation periods, losses or low returns are inevitable in the beginning. However, even after making allowances for this factor, we find that there have been other causes too which have contributed to the accumulation of losses to a substantial extent. Thus, over-capitalization is one of the main causes. In some cases, the implementation of expansion programmes before a project reached full production.

(10) Perhaps, the most important failure of the public sector has been its inability to develop to the requisite extent its own resources of managerial and technical personnel and its continued dependence on foreign engineers and technicians and deputationists from Government. Progress has also been tardy with regard to the setting up of the necessary designing and consultancy organizations. Of equal significance is the failure to achieve healthy labour-management relations in several public undertakings. Little headway has been made in evolving and introducing effective incentive schemes.

(11) Further, neither in quality nor in price have some public undertakings brought full satisfaction. Many kinds of special steel have still to be imported because the public sector steel plants are yet to achieve the needed quality of manufacture. In the case of basic products like steel and fertilizers it has not been possible to keep prices within reasonable limits.

(12) The organizational structure devised for the management of the public undertakings has also several deficiencies. The top management, consisting primarily of 'policy-making' type of governing boards have largely been unable to give sustained and positive direction to persons at the operating level. There is too much of official representation and too little of technical talent on the governing boards. The position is also not satisfactory in regard to devolution of adequate powers on the top management boards and their delegation to the operational levels. While the spread of Government control has been wider than necessary the control exercised by Government at certain key points has not been effective. The demarcation of responsibilities between the Government and the public undertakings is also not sufficiently clear-cut and this tends to erode the

autonomy of the public undertakings. The following should be the guiding principles in overcoming the organizational deficiencies : In the first place, there is the basic consideration of vesting each operational unit with powers which are necessary for its functioning with speed and efficiency, and without hindrance and interference from outside in its day-to-day administration. It would be futile to give powers and authority to the operational units if they are prevented from exercising them effectively by imposing frustrating curbs and controls. Secondly, it is essential to take a long-term view of the needs, requirements and problems of the future development of different sectors of public enterprise. It is highly important that strong management institutions are developed in different sectors of industry to take care of their promotional and developmental needs and for planning of future expansion. In the third place, no organizational reforms can be effective unless special attention is devoted to the human factor, both at the managerial and the operating levels. It is, therefore, necessary that personnel of all categories should be helped and encouraged to develop the requisite will, attitudes and a sense of belonging as well as necessary abilities, skills and *esprit de corps* required for forging public enterprises into an effective instrument for economic advance and national welfare. Lastly, the nationalization or socialization does not mean bureaucratization. Not only should the public enterprises have the maximum possible autonomy to function on sound business and commercial lines, they should also be responsive to the needs and interests of the community. Unlike the private sector where profit is the motive force, the main objective in the public sector ought to be public good. Besides promoting and sustaining economic growth, public enterprises should strive to supply the community products and services of standard quality and at reasonable prices.

Organizational Structure

FORMS OF ORGANIZATION

(13) There is an important advantage in adopting the form of a statutory corporation as compared to company form. Statutory corporations are set up after full public debate and with the approval and sanction of Parliament. This leads to a clear and precise definition of their objectives and obligations. It also results in a clear demarcation of powers between the Government and the public undertaking. Further, Parliament, having vested autonomy in the undertaking through an enactment, will itself take care to ensure that such autonomy is fully recognized by the executive agencies of the Government. In certain cases, however, the company form is preferable. For instance, the company form is more appropriate for undertakings which have an element of private participation. It is also desirable for those undertakings which are predominantly trading concerns or which have been set up to improve or stabilize a particular area of business, as in the case of the construction undertakings, the trading corporations and hotels. Further, when it is necessary to set up an undertaking which is comparatively small in size and it is to be given an independent legal status, a company may be floated for the purpose.

SECTOR CORPORATIONS

(14) There is a great need for co-ordination and provision of common services among public sector undertakings operating in the same

field. The failure to take this need into account at the planning stage is one of the most unsatisfactory features relating to the setting up of public undertakings by Government. The Commission came across cases where new projects have been set up without utilizing the organization already built up in running multi-unit undertakings and without entrusting to it the management of the new projects. For instance, in the setting up of the Cochin Refineries, the managerial and technical expertise of the Indian Oil Corporation was not utilized. A new undertaking styled as Machine Tools Corporation of India has recently been set up as a separate Government company, in spite of the existence of the Hindustan Machine Tools in the same field. There are cases in which the existing multi-unit undertakings have been bifurcated, such as the Heavy Electricals Limited, the State Trading Corporation of India and the Heavy Engineering Corporation. Cases also exist where a new Government company has been set up more or less at the expense of an organization that had already started developing in a multi-unit undertaking. Such unsystematic and needless proliferation leads to fragmentation of the total industrial effort in the public sector. The Commission feel that in allowing this proliferation to take place, and in failing to set up integral statutory authorities in coherent sectors of public enterprise, we have not only denied ourselves the benefits of large-scale operations but have also missed a major purpose of nationalization of key sectors of our economy.

(15) In other countries the policy generally has been to set up an integral authority in a nationalized sector to which is entrusted the general responsibility for promotion and development. Such integral authorities, *i.e.*, corporations, should be set up in India also in major areas of public enterprise. It is recognized, of course, that a sector corporation should not be allowed to crush under the weight of its authority and size the operational autonomy of its units. It should, if properly operated, enable the units to secure a measure of freedom from control by Government in fields where a purely departmental approach would not be desirable. The setting up of sector corporations should not result in their functioning as large monopolies in the public sector elimination competition among units producing a similar range of products are providing similar services. We have to preserve the managerial personality of the constituent units by giving to each of them a financial framework within which it is to operate and against which its performance is to be evaluated. The budget, accounts and performance data of each of the units should be separately compiled. This would help to infuse in them a spirit of healthy competition. It will also facilitate a comparative appraisal of the success achieved by different units in reducing costs and increasing productivity.

(16) The Commission suggested that the sector corporations may be established for running the industrial and manufacturing concerns of the Government in the following areas : (*i*) Iron and Steel; (*ii*) Engineering and Machine tools; (*iii*) Electricals; (*iv*) Coal and Lignite; (*v*) Petroleum and Patro-chemicals; (*vi*) Mining of iron and other ores and mining and processing of non-ferrous metals; (*vii*) Fertilizers, and (*viii*) Chemicals and Drugs. Besides corporations in the industrial and manufacturing field, two more corporations may be setup—one for aviation and the other for shipping. In the commission's view, there are marked

advantages in replacing the two existing statutory air corporations by a single corporation with two operating units. The types of specialists and technicians who are recruited by the Air India and the Indian Airlines Corporation are the same. The wage structures of the two corporations are more or less the same and on important routes the air-craft requirements are similar. There are possibilities for having common offices, workshops and other establishments and thereby reducing costs. Even the boards of managements of the two air corporations have been, more or less, the same for some years. Similar considerations apply to the two shipping lines, *viz.*, the Shipping Corporation of India and the Mogul Line Ltd., which are under the control of the Ministry of Transport and Shipping. These two shipping lines and the allied concern of Hindustan Shipyard which is also under the control of Ministry of Transport and Shipping may be brought into a single Shipping Corporation. The advantages of establishing sector corporations may also be derived in the case of hotels. The two Government companies in this field, *viz.*, the Ashoka Hotels and the Janpath Hotels may be combined with the India Tourism Development Corporation to form a single sector corporation. This would involve the transfer of these hotels from the control of the Ministry of Works, Housing and Supply to the Ministry of Tourism and Civil Aviation. Bringing the administration of Government owned hotels under the Department of Tourism has also been recommended by our Study Team on the Machinery of the Government of India. A sector corporation should also be set up in the field of Electronics when a programme for a large-scale expansion in this field is decided upon.

Functions of Sector Corporations

(17) A clear statement of the functions assigned to the sector corporations the powers reserved to Government and the powers that should be delegated to the operating units of the corporation can serve as the basic safeguard against both the erosion of autonomy of the corporation by the agencies of the Government and the undue concentration of powers at the corporation level. The new sector corporations should refrain from exercising undue administrative control over the constituent units and should concentrate attention on their special responsibilities for promotion of research and development, provision of designing and consultancy services needed by the constituent units, co-ordination in recruitment and training of personnel and providing other common service facilities which can be more economically provided from a central point. The sector corporations can play an important role in scrutinizing the internal budgetary programmes of the enterprises, developing information and reporting systems needed for management control, and making a comparative appraisal of performance. They can also provide an effective machinery for the speedy disposal of grievances and complaints pertaining to maladministration and abuse of authority by officers subordinate to the corporation. The other important duties of the corporation will be to ensure, as far as possible, uniformity in wage structure, to determine the broad recruitment and promotion policy that should be followed by constituent units and to lay down scales of amenities to be provided to employees, with a view to achieving economy in expenditure on housing and other facilities. Within this framework, the aim should be to develop full operational autonomy

on the constituent units so that the project managers are able to carry on the day-to-day administration of the units without interference from above.

Management Boards of Sector Corporations

(18) In every public undertaking, the responsibility for overall management has been vested in a governing board. In general, there has been a marked preference for a board in which most of the members are part-time. In a few cases, like the Indian Oil Corporation, the State Trading Corporation of India and the Oil and Natural Gas Commission, a few full-time functional directors have also been appointed. Most of the directors of Government companies and the members of the governing boards of the statutory corporations are Government officers. The boards exercise general supervision over the affairs of the undertakings, meet periodically and give directions and sanctions to the management.

(19) The alternatives to a policy-making type of board are either a fully functional board like the Railway Board or a mixed type of board which includes both full-time functional and part-time members. An example of the latter type is that of the Indian Oil Corporation. The Commission feel that fully functional boards for public undertakings will neither be feasible nor desirable. There has to be an element of Government representation on the board which will necessarily require the presence of part-time members.

(20) The Commission have taken note of the objection sometimes made against the functional or mixed type of board that it blurs the authority of the chief executive and leads to friction between him and the full-time directors. The example of Hindustan Steel where the experience of having full-time directors on the board did not prove to be successful is also at times cited. But it may be pointed out that the mixed type of board tried in the Hindustan Steel did not come up to expectations because of certain special factors and not because of any inherent defects in the system. One instance where the system did not work as expected under some special circumstances should not deter us from adopting a pattern which is not only logical but which is also the general pattern prevailing in the larger enterprises both in the public and the private sectors all over the world. The Commission are of the view that chances of friction between the chief executive and others on the board will be minimized if the proper role and importance of the authority of the chief executive is appreciated and respected both by the board and the administrative Ministry. Considering all the above factors, it recommended that the boards of management of Sector Corporations should be of a mixed type. The board should consist of : (*i*) (*a*) a full-time Chairman-cum-Managing Director ; (*b*) full-time functional directors, their number depending on the needs of the case; (*c*) not more than two part-time Government representatives; and (*d*) two or three part-time members from outside the Government. (*ii*) The Government representatives should be selected on the basis of their qualifications and experience and not by virtue of the office which they hold in a particular Ministry. (*iii*) Part-time members from outside the Government should be persons with proven ability in the fields of industrial, commercial or financial enterprise or in administration or in trade union organization. These qualifications should be laid down in the Act, or in the case of

Government companies in the Articles of Association. These members should have faith in public enterprise and should not have such business or other interests as may affect their objectivity in the discharge of their duties on the board.

(21) So far the constituent units of a sector corporation are concerned if a unit has an element of private participation and, therefore, the form of Government company should have a board of directors as envisaged at present under the Companies Act. No Government representatives need be appointed on these boards and the sector corporation which holds the State-owned shares should nominate its representatives from among its directors and the executive heads of departments to serve as part-time members on the boards of such companies. The composition of these boards will depend upon the extent of shares held by the sector corporation and the private parties and the agreement between them.

(22) For a constituent unit which is wholly owned by the Government, there should be a committee of management if the size and nature of the operations of that unit so require. This committee should be functional and have the chief executive of the unit as the chairman and the heads of key departments as members. For the smaller wholly owned units there need only be a single executive, who may function directly under the board of the sector corporation.

(23) The organizational structure of the constituent units of a sector corporation should be defined in the Act setting up the corporation, but only in broad terms so as to enable the corporation to devise specific structures in individual cases in consultation with the Government and within the framework laid down in the Act. Provision should also be made in the Act to enable the corporation to devise the organizational structure for a new unit in the same way.

Steps to be Taken to Set Up Sector Corporations

(24) It will be necessary to have a separate law enacted by Parliament for each major area of public enterprise. These Acts should provide for the establishment of a sector corporation in each area and for bringing the existing wholly owned undertakings in the field under that corporation. However, as the enactment of the necessary legislation in this regard may take some time, Government may, to begin with, amalgamate, under the provisions of the Companies Act, all the companies wholly owned by the Government and operating in the same major area of enterprise into one multi-unit company. The State-owned shares in an undertaking which is not wholly owned by the Government can be transferred to the appropriate multi-unit company so formed. Thereafter, the multi-unit company may by law be transformed into a statutory corporation. In the case of the oil sector, however, an Act of Parliament will be necessary for bringing together the Indian Oil Corporation, and the Oil and Natural Gas Commission which is a statutory corporation into a single sector corporation.

APPLICATION OF THE COMPANIES ACT TO PUBLIC UNDERTAKINGS

(25) Several of the provisions of the Companies Act have little or no meaning in relation to Government companies, *e.g.*, provisions stipulating the holding of annual general body meetings and requiring notices and returns to be filed with the

Registrar of Companies. The Articles of Association of the Government companies contain a number of provisions for transferring, making calls on and forfeiture of shares, and imposition of penalties which are of little significance. Under Section 620 of the Companies Act, Government have the power to exempt any Government company from the operation of any provision of the Act. Hardly any use has been made of this section. The idea should be to reduce to the minimum the provisions of the Companies Act which need apply to the Government companies since most of their affairs are in any case controlled by Government. The actual provisions that should not apply to a Government company would have to be determined specifically in each case. When shares held by the Government and some Government companies are transferred to sector corporations in accordance with the recommendations made earlier, those companies will lose their status as Government companies. In order that they may continue to be eligible for the relaxations provided for Government companies in Section 620 of the Companies Act, it will be necessary to enlarge the definition of "Government Company" so as to include companies not less than 51 per cent of whose shares are held by sector corporations.

PUBLIC ENTERPRISES, PARLIAMENT AND GOVERNMENT

RELATIONSHIP WITH PARLIAMENT

(26) Public enterprises are financed from public funds. It follows that they must function within the confines of public accountability. The essential feature of this accountability in a democracy is the supervision and control exercised by Parliament. There are several opportunities for discussion in Parliament on the working of public undertakings. Thus, discussions can take place on the annual report of an undertaking, or during the budget debate, or, as the subject matter of half-an-hour discussion. However, there is no regular programme with a specific time schedule for discussion of the performance of public undertakings. The Commission feel that such a full discussion every year in Parliament is desirable and necessary. For this purpose, the supply of adequate information in a proper manner to Parliament is of great importance. It may be noted that with the setting up of sector corporations, Parliament would not be called upon to consider a very large number of Annual Reports as each sector corporation will be presenting one consolidated Annual Report on its working and that of its constituent units.

(27) The most effective form of Parliamentary supervision is the examination by a Committee of Members of Parliament. It also gives the managements in the public sector an opportunity to appear before a Parliamentary Committee and explain their position and problems across the table. If the Committee on Public Undertakings took up simultaneous examination of a group of undertakings falling within one area of enterprise and brought out a consolidated report thereon, this will enable the Committee to cover, within the time at their disposal a larger number of undertakings and to examine their problems more deeply. The issues of different undertakings operating in the same field of industry. It will also make it possible to undertake a simultaneous and comparative appraisal of the performance of different projects in the same area of enterprise. A consolidated report of the

Committee will also enable Members of Parliament to acquaint themselves better with the problems on which they should focus their attention.

(28) The Annual Reports of public undertakings should have as their main objective the presentation of adequate information to Members of Parliament in a readily intelligible form. On the examination of the Annual Reports, the Study Team has come to the conclusion that only a few undertakings have been furnishing comprehensive information on their operations and future programmes, and that 'there is insufficient recognition of the fact that one of the main purposes of the Annual Report is to enable Parliament to make an assessment of the efficiency with which an undertaking is being run'. The adoption of a common pattern of reporting and the use of standard operational indices will enable Members of Parliament to keep themselves posted with the working of public undertakings, and make comparative studies. Therefore, it recommended that the Bureau of Public Enterprises, in consultation with the Ministers and public undertakings, should work out a model form for the Annual Reports of public undertakings. Standard operational indices should also be prepared for use by the public undertakings in order that essential information relating to their working is brought out in the Annual Reports in a readily intelligible form, secondly, each Annual Report should cover *inter alia* the following points : (*a*) Information about the adequacy of the quantity and quality of output and reductions in cost; (*b*) Information relating to the utilization of the principal ingredients of production, *viz.*, labour, materials and installed capacity; in the case of undertakings not concerned with manufacture like transport and trading concerns the corresponding information should relate to factors relevant to such concerns; (*c*) comparative performance between different parts of the undertaking, between one undertaking and another, and in relation to similar undertakings abroad; (*d*) a brief report on future plans indicating the extent of demand for the product proposed to be met, the variations in the quantity and quality of supply and the steps planned to reduce costs; and (*e*) a brief summary of the past operational results with comparisons of the result achieved during a specified period in order to bring out long-term trends.

(29) It is necessary to achieve a proper balance between the requirements of accountability of the enterprises to Parliament and their need for freedom in day-to-day operations. While Parliament must oversee and review the performance of public undertakings with a view to promoting and safeguarding the public interest involved, the manner of achieving this purpose should be such that it does not weaken the initiative of the management and thus affect its efficiency. Too detailed and continuous an examination by Parliament, particularly of day-to-day administration, will compel the responsible Minister to call for more information from public undertakings and insist upon his prior approval being taken even in matters coming within the sphere of management. This will obviously have an adverse effect on the initiative of those responsible for running the undertakings.

(30) The need for questioning in Parliament on the detailed working of these undertakings should not ordinarily arise in the future in the context of the role and functions that we are proposing for the sector corporations, the Audit Boards, the

Bureau of Public Enterprises, the administrative Ministries and the Committee on Public Undertakings and in view of the suggested improvement in the form and content of the periodic reports for discussion. Nevertheless the Ministries should not fail to bring to the notice of the Speaker questions which under the rules in force are not admissible.

RELATIONSHIP WITH GOVERNMENT

(31) Excessive external control inevitably leads to frustration in the management, weaken its initiative and restrain it from taking quick decisions on the spot. At the same time, Government must have the power to issue policy directives, exercise strategic control and make the necessary co-ordination arrangements keeping in view its responsibility for the effective implementation of the socio-economic programmes of the country. It is, therefore, necessary to provide for a proper system of co-ordination and control of the public undertakings in the corporate sector while adequately safeguarding their operational autonomy. In order to achieve this purpose, the management must be imbued with a spirit of public welfare and dedication to its task and Parliament and Government must repose trust and confidence in the management of the undertakings while being ever-mindful of their obligations to safeguard the public interest.

(32) The Study Team has found that while the span of Government control is wider than it need be, the effectiveness of the control is not adequate. Ineffective control is worse than no control because while it inhibits the operational initiative by an external control apparatus, it fails in its objective of regulating matters in those areas where regulation is essentially required. A well-regulated control system should ensure both managerial responsibility and freedom which constitute the hallmark of successful commercial institutions. Control by Government should, therefore, not be diffused and dispersed over all and sundry items of work, but should be confined to basic things and key points.

(33) Taking note of the factors pointed out by the Study Team which, in an indirect manner, result in greater control of public undertakings than is necessary or desirable. The Commission recommend that : (1) No officer of a Ministry should be made Chairman of a public undertaking, nor should the Secretary of a Ministry be included in its board of management. (2) The top management posts, like those of the chairman or full-time members of the board should be filled by officers on deputation only when there is no suitable alternative available. As a general rule, Government servants selected for appointment to these posts should, on appointment thereto, opt out permanently for service in the public sector. (3) The Government officers appointed as part-time members of the board should be fairly senior and not below the rank of a Joint Secretary. These officers should not be taken as representing any particular Ministry so that even when they are transferred, they continue on the boards, the Ministry concerned making the necessary arrangements to keep the officer informed of its views. (4) The chairman of the sector corporations should be accorded a status consistent with the requirements and importance of their functions without the limitations as to emoluments as exist at present. (5) All appointments below the board level should be made by the board itself. However, in the

case of the chief executive of a constituent unit and its Financial Adviser the appointment should be made by the board in consultation with the Government. (6) The power vested in the managements for sanctioning capital expenditure should be reviewed with a view to making upward revisions in the case of the larger undertakings. (7) The board should have full freedom in delegating its powers to its executive officers whenever necessary. (8) Any suggestion from Government to a public undertaking asking it to act in a manner different from that dictated by economic considerations should invariably be in the shape of a formal directive and it should be duly brought out in the Annual Report of the undertaking.

GOVERNMENT MACHINERY FOR CO-ORDINATION

The Bureau of Public Enterprises

(34) The Bureau of Public Enterprises was set up in April 1965, to provide a central point of reference and consultation on important aspects of management, to explore avenues of economy in capital costs, devise steps to improve productivity and profitability, review periodically the working of public undertakings and to present reports and reviews of their working to Parliament or Government agencies. However, there are a number of other agencies which continue to deal with different aspects of work relating to public undertakings. For instance, the Management Division (Committee on Plan Projects) of the Planning Commission is engaged in the study of planning and construction problems of public sector projects, problems of inventory control, information and reporting systems, etc. The Project Co-ordination Division of the Ministry of Industrial Development and Company Affairs also deals with co-ordination problems except those which involve policy decisions. The work relating to the Industrial Management Pool is looked after by a cell in the Home Ministry. Instead of various agencies add to the problem of co-ordination being in need of co-ordination among themselves. The Commission feel that the existing multiplicity of the present arrangements must be reduced. The present Bureau can be so organized as to become the main if not the sole central agency for this purpose. They do not intend the Bureau to be another spoke in the wheel; they envisage its role as one that will keep the machinery in trim and enable its efficiency to be assessed and kept up. They are of the view that the organization for providing consultancy assistance in such matters as planning and construction of projects and production problems should be within the public sector itself. In fact, with the setting up of the sector corporations the right place for such technical and consultancy organizations would be in their head office organization. Similarly, a systematic critical appraisal of performance of public undertakings is not envisaged for the Bureau which is a body inside the Government. An objective appraisal can be best undertaken by an agency outside the Government in the audit boards. The Bureau can, however, undertake the appraisal of different aspects of working of public undertakings with a view to defining and suggesting the possibilities of a uniform approach to problems of common interest and solutions therefor.

(35) The most important functions of the Bureau should be to act as a data bank and as a clearing house of information both for the Ministries and the public

undertakings, to compile and analyse information and to present factual reports on the performance of public undertakings to Parliament and the agencies of Government. The Bureau can also provide technical and expert assistance from a central point to the controlling Ministries in the scrutiny and evaluation of feasibility studies and project reports, identification and study of common problems of public undertakings, building up of adequate finance and accounts organizations and adoption of improved management and cost accounting techniques, achieving of economies in capital costs by laying down norms for buildings and townships and other amenities. The Bureau can also help the administrative Ministries in making appointments to the boards of public undertakings.

(36) In order to discharge these functions effectively, the Bureau should be well-staffed with experts in different fields and with persons who have had experience in the working of public undertakings. In the nature of things the Bureau must command attention and respect for its views. It is not intended to be a super-body and its authority will be derived, not from powers of sanction or superintendence, but from the acceptability and the qualitative content of its advice. It is necessary that it should have at its head a Director General with the status of a Secretary to the Government of India.

(37) It would obviously be inappropriate to locate the Bureau in a Ministry, *viz.*, Ministry of Industry & Development which has administrative control over a large number of undertakings on whose performance it will have to report with independence and objectivity. On the other hand it should not be difficult to ensure that the working of the Bureau isn ot unduly influenced by narrow financial considerations when it is headed by one with the status and qualifications we have suggested. The Ministry of Finance being concerned with economic co-ordination is, in any case, required to examine the investment programmes and financial results of the public undertakings. Thus, placing the Bureau in the Finance Ministry will help reduce duplication in making co-ordination arrangements in the Government.

Organization in the Administrative Ministry

(38) A small technical cell should be set up in each Ministry concerned with public undertakings to assist in the scrutiny and evaluation of feasibility studies and detailed project reports and for the analysis and utilization of progress reports and returns received from public undertakings. These cells need not be on an elaborate scale in view of the proposed strengthening of the Bureau of Public Enterprises and the building up of the technical organizations in the sector corporations.

REPORTS AND RETURNS

(39) In order to keep track of the progress made in public sector undertakings it is necessary to periodically review performance by calling for reports and returns. An analysis of the number and kinds of reports submitted by various public undertakings to the Government indicates very wide variations in their number as well as frequency. Despite calling for a large number of reports, Government, in many cases, have not been able to utilize them adequately for informing themselves about problems of the undertakings or for assessing their performance.

(40) The Commission has therefore, recommended that: (*i*) An expert Study Group, under the Bureau of Public Enterprises should be set up to make a detailed examination of reporting by the public undertakings to the Government. This group can enlist the help of officers concerned in the Ministries and public undertakings as well as of the external consultants in the field. The information requirements of the controlling Ministries and other Government agencies should be reviewed to avoid overlapping and to enable standardized returns to be developed. (*ii*) The forms devised for the submission of information by the public undertakings to the Government should, as far as possible, be identical with the forms adopted for submitting similar information to the management board, (*iii*) The administrative Ministry should periodically review the extent of utilization of the reports and returns obtained from public undertakings in order to cut out non-essential items of information and to strengthen their own organization if necessary, for carrying out the processing and analysis of information received through the report, and for taking follow-up action on them.

PLANNING AND CONSTRUCTION OF PROJECTS

PLANNING OF PROJECTS

(41) The need for improved planning of projects, adoption of modern techniques of planning, development of indigenous consultancy services and adequate staff organizations to achieve greater self-reliance is, self-evident in the context of larger investments in public sector in future. The Commission in this connection recommend as follows : (*i*) Planning Commission's Memorandum on 'Feasibility Studies for Public Sector Projects' should be adopted as a guide for the steps to be taken including the preparation of documents, before sanctioning a project. For every project involving investment above, say, Rs. 5 crores, a feasibility study should be made along the lines set out in the Memorandum. Before going in for additional capacity in the Public Sector, the agency concerned should assess the demand for the product after taking all relevant factors into consideration. A project should not be included in the Plan unless the feasibility study has been completed and it has been found to be satisfactory on scrutiny. However, when such a study is not complete the project may be mentioned only as a national target without mentioning locations. (*ii*) For projects not requiring foreign collaboration, Government approval to go ahead with the initial work on the project may be given on the basis of the feasibility report and final sanction for the release of funds should be given after supplementary project estimates taking the necessary changes into account have been prepared. (*iii*) For projects that require the detailed project report to be prepared by a foreign technical collaborator, the Government or the public undertaking should prepare a feasibility study from the standpoint of national economic benefit and the approval of the project should be based on this report. (*iv*) Government and the Planning Commission should evolve and lay down standard guidelines clearly for ascertaining the national economic profitability. (*v*) Immediately on the receipt of the feasibility study/DPR, a piloting committee should be set up consisting of the representatives of all the Ministries and agencies concerned and this committee should undertake a concurrent and collective examination of the feasibility study/DPR so that delays due to

successive examination by different agencies may be avoided. (*vi*) Public undertakings should be encouraged and assisted to set up adequate designing and consultancy organizations. (*vii*) The work of project planning and formulation should be handed over to the sector corporations. (*viii*) Turnkey contracts with foreign collaborators should ordinarily be avoided. In the special case when it is decided to award such a contract, care should be taken to see that complete drawings and designs are supplied by the foreign contractors, and that Indian engineers and technicians are given full and adequate training and associated with the construction work.

CONSTRUCTION

(42) Of the outlay on a project set up in the industrial and manufacturing field, a major portion is spent on construction of factory buildings, townships and other civil works. The importance of proper construction planning and construction management for reducing capital costs on the project is, therefore, obvious. The Commission recommended that once a project has been approved, systematic and thorough planning of the construction programme should be undertaken before starting actual construction. For all projects involving sizable investment, say, of Rs. 5 crores and above, a complete master plan of construction should be drawn up with the help of network techniques like the PERT and CPM (Programme Evaluation and Review Technique and Critical Path Method). The construction effort under each contract should be scheduled and co-ordinated within the framework of a master plan. For various types of items of work, model contract papers should be drawn up for the use of project authorities so that vagueness in defining the obligations of different parties is avoided. Contracts should provide for incentives as well as penalties. The penalty clauses will be more effective if instead of being linked to a single completion date, they are linked to key stages of work to enable management to ensure adherence to the time schedule. Incentive payments for the completion of a project on a date earlier than that specified in the agreement should be provided for whenever such earlier completion of the contract would facilitate the earlier completion of project as a whole. Performance data should be collected about contractors doing work on public sector projects so that sufficient documentation may be available to the management for supporting their decision to reject the lowest tender in case the contractor making it is adjudged unsuitable. Till such time as the corporations are set up, the Bureau should compile information about the surpluses, or likely surpluses, of construction personnel and equipment and disseminate this information among the public undertakings with a view to securing their more efficient utilization.

(43) Detailed information should be compiled about deviations from earlier estimates and this information should be communicated to the agencies connected with the technical scrutiny of feasibility of similar projects. A project completion report should be drawn up for each project containing such information as may be found useful during the construction of similar projects in the future. Work on the project completion report should preferably be undertaken from the start so that all useful data at every stage of construction is sifted, analysed and reported while events are still fresh in memory. Case histories based on

the project completion report, bringing out the problems encountered and measures adopted to overcome them, should be prepared and circulated to all the agencies who are likely to find them useful.

RESOURCES—EXTERNAL AND INTERNAL

(44) A uniform loan-equity ratio need not be adopted for all public enterprises irrespective of their size, productive function and borrowing capacity.

(45) The administrative procedures for releasing funds to the public undertakings should be liberalized to ensure that work is not held up while projects wait for an elaborate pre-scrutiny of proposals asking for the release of already budgeted amounts. It should be possible for the Government to exercise post-withdrawal scrutiny of the manner in which the funds have been released to and utilized by the public undertakings.

(46) Government should be willing to provide the necessary guarantee if a public enterprise is unable to secure funds otherwise.

(47) Public enterprises should be free to have cash credit arrangements with any scheduled bank that has deposits above a certain limit. Government should be kept informed of such arrangements.

(48) While Government companies are not obliged to submit their revenue budgets to the Government or Parliament, the statutory corporations like the Oil and Natural Gas Commission and the air corporations have to do so, as required by the statutes creating them. While the Commission attach great importance to effective Parliamentary supervision, they agree with the Study Team that it will not, by Commercial standards, be a sound policy to make public the revenue budget estimates of State enterprises as such a step is likely at times to place the enterprise in a disadvantageous position vis-a-vis its counterparts abroad or in the private sector.

(49) Government should make a comprehensive and clear statement on the objectives and obligations of public undertakings. This statement should lay down the broad principles for determining the precise financial and economic obligations of the enterprises in matters, such as creation of various reserves, the extent to which enterprises should undertake the responsibilities of self-financing, the anticipated returns on the capital employed, and the basis for working out rational wage structures and pricing policies. These governing principles should be formulated in consultation with the public enterprises. There should also be regular consultation between the Government and public enterprises to review the extent to which they can expect additional finance from Government for their capital requirements and the amount of surpluses that are expected from the undertakings.

(50) Expenditure on townships and ancilliary facilities has often led to increased but avoidable capital costs. The Bureau of Public Enterprises should be asked to work out standard scales in such matters as housing accommodation, hospitals and education facilities and other amenities provided to the employees. These standards should be worked out in consultation with the public undertakings and the Ministries concerned, note being taken of the varying conditions in different projects. The Ministry of Finance should

ensure that the scales prescribed are actually complied with.

(51) Public enterprises enjoy varying degrees of autonomy in regard to price fixation. In certain cases, like fertilizers, drugs and petroleum products, the prices are controlled or regulated by the Government. The fares charged by the Indian Airlines Corporation and the Mogul Line require Government approval. The other undertakings generally are free to price their products or services and the usual practice so far has been to arrive at prices on cost plus basis or on the landed cost formula subject to the overall constraints of the market situation. The Commission agree with the Study Team that the absence of a clear indication to public enterprises about the return expected from them introduces an element of arbitrariness in their price policy which is normally based on the desire to cover costs and make a surplus. They also agree with the Study Team that 'self-financing for expansion should be taken as a specific obligation of our public enterprises operating in the industrial and manufacturing field'. Nevertheless, after making due allowance for all these factors and for any fiscal policies that Government may lay down in respect of various undertakings or their products, it is the duty of Government to ensure that in the interests of the consumer, price increases are not conceded without examining avenues of economy in all possible directions.

(52) In formulating the pricing policies of public enterprises, the following principles should be kept in view: (*i*) Public enterprises in the industrial and manufacturing field should aim at earning surpluses to make a substantial contribution to capital development out of their earnings besides making a contribution to the Exchequer, (*ii*) Public enterprises should in any event pay their way and should not run into losses except in pursuance of express directives issued by Government in public interest. (*iii*) In the case of public utilities and services, greater stress should be laid on output than on return on investment, the former being extended up to a level at which marginal cost is equal to price. (*iv*) While determining the price structure commensurate with the surpluses expected from them, public enterprises should keep the level of output as near the rated capacity as possible subject, of course, to the volume of demand for the product.

(53) If in the public interest, Government require an undertaking to keep prices at an artificially low level, the financial obligations of that undertaking should be revised. Wherever public undertakings are operating under non-competitive conditions or where the number of buyers of the product is limited, the price levels should be determined on the basis of the *c.i.f.* value of similar items in preference to the cost plus formula. In cases where the imported goods have the benefit of export subsidies in the countries of origin, the *c.i.f.* prices should be proportionately weighted. As the ability to produce goods at cost matching the *c.i.f.* price of similar goods will differ from undertaking to undertaking, a detailed examination of the cost structure of the products of such undertakings should be made to determine the levels of permissible deviations. For this purpose, Government can utilize the machinery of Tariff Commission or the Cost Accounts Organization of the Ministry of Finance.

(54) In the regulation of prices, one of the factors that have to be considered is the relation between a public undertaking and the consumer

of its products or services. It may be argued that Government and the public undertaking are sufficiently aware of consumers' interest to provide the necessary safeguards. Such an assumption may not always be correct as Government departments are prone to be more favourable to the problems of public undertakings than to the interests of the consumers. Only in some cases where the Ministry is concerned with the consumer interest and does not directly deal with the public sector industry would this assumption be valid in practice.

(55) The Commission feel that something more requires to be done than leaving the protection of the consumer to be taken care of by the normal governmental channels. They recommend that : (*i*) Consumers' Consultative Councils should be set up in each sector of public enterprise. These councils should consist of the representatives of organized bodies of consumers concerned with the products of the undertaking, the controlling Ministry, the sector corporation concerned, and other interested Government departments and public undertakings. (*ii*)Parliament may elect two members to serve on each of these Councils. (*iii*) The Councils should deal with matters involving the interest of the consumers and further advise Government or sector Corporations on such matters as may be referred to them by the latter.

Financial and Materials Management

Financial Programmes

(56) If the public undertakings are to function on business and commercial principles, it is imperative that their administrative and financial procedures are consistent with this requirement. However, these undertakings have largely copied the bureaucratic procedures obtaining in the Government Departments. Further a majority of public undertakings have yet to set up adequate finance and accounts organizations and adopt improved techniques of financial management.

(57) An effective mechanism of financial management and control can be built up only on a sound budgetary system. The budget of a public enterprise has not only to serve the requirements of external accountability and internal control but it has also to provide a plan of action, a framework in which to review progress and a standard against which to review performance. Such a method of budgeting, usually referred to as performance budgeting or business type budgeting, is yet to be introduced in our public undertakings. The Commission recommended that : Public undertakings should prepare comprehensive budgets to embrace the entire organization and to cover *inter alia* the following range of budgeting activities: (*a*) Production Estimates; (*b*) Sales Estimates; (*c*) Cost of Production Budget with its necessary sub-divisions, *e.g.*, Materials Purchase Estimates, Labour and Personnel Estimates, Overheads Estimates, Plant Maintenance Estimates, etc.; (*d*) Manpower Budget; (*e*) Township and Welfare Estimates; (*f*) Research and Development Estimates; (*g*) Capital Expenditure Budget; (*h*) Profit and Loss Estimates; (*i*) Cash Flow Estimates, and (*j*) "Capital Employed" Budget —Fixed and Working Capital.

(58) The preparation of the revenue budget should be taken as ar opportunity to make a comprehensive and forward-looking review plans and standards. The work of budget preparation should begin sufficiently in advance to enable every part of the esterprise to be associated in the preparation of estimates and to have their own separate budgets

within the overall budget of the enterprize.

(59) The comparison of performance data with budget estimates should be undertaken periodically during the currency of the budget itself. Expenditure budgets in general may be reviewed at least twice a year to enable the management to obtain some mid-year knowledge of how expenditure is faring so that they may take corrective steps, where necessary, before the year has ended.

(60) Monthly reviews should be undertaken of sales, production, consumption and yield figures at each plant and unit. Profit and loss accounts and balance sheets as well as cost statements should be prepared every month.

(61) Every public undertaking should have a fairly long term capital expenditure budget to serve as a framework within which individual schemes can be placed, approved by the Government and taken in hand. To enable public enterprises to undertake long-term capital planning on a realistic basis, Government should each year discuss with the enterprises and approve its plans for development and capital expenditure for the next five years, agreeing to appropriate long-term commitments as well.

(62) Proper controls may be prescribed to keep public sector investment generally within the Government's resources. For instance, Government may each year fix an upper limit on the expenditure to be incurred on capital account by the enterprises during a shorter period ahead, say, 2 years. It is further recommended that the cash budget and the periodical budget performance comparison statements and cash flow statements should be treated as an integral part of the budgetary process.

(63) If greater emphasis is placed on periodical reviews of actual performance as compared to budget estimates and if the deviations and deficiencies so noticed are promptly investigated to determine causes and to explore possibilities of remedial action, then the powers delegated to authorities at various levels can be considerably enhanced without diluting the effectiveness of control or the quality of supervision. With the adoption of these techniques, generally referred to as 'reporting by exception' or 'control by exception', the speed of operations in the undertakings can be very much increased. It is necessary that not only the officers of the finance organization but also those who are entrusted with the use of resources know the prescribed procedures for budgeting and for undertaking budgetary reviews. In this context, a comprehensive budget manual needs to be prepared in all public undertakings.

(64) In a large industrial or commercial enterprize, the scope of control and supervision that can be exercised by the supervising officer is limited. It is expedient to set up a full-fledged internal organization in such undertakings, to be continuously engaged in inspection and internal appraisal of performance.

(65) Internal audit in relation to public undertakings should not be viewed as an additional check exercised in advance of external audit or as a pre-audit of financial transactions. The aspect of internal audit as being a service provided to the management organization should be strongly emphasized so that it does not get involved in management or operational decisions impending the flow of work. Internal audit can also play a role in the verification of transactions to check on proper authorizations and in the protection

of the property of the undertakings against fraud, waste and pilferage. The existence of an efficient internal audit system can also help reduce the scope and intensity of audit performed by an external agency.

(66) It is of the utmost importance that the Financial Adviser of an enterprise should regard himself as an integral part of the management team and not look upon himself as an outsider representing the financial interests of the Government.

(67) The Financial Advisers of undertakings, both at the sector level and at the unit level, should be encouraged to place greater emphasis on the management accounting aspect of their working.

MATERIALS MANAGEMENT

(68) Materials management should be accorded due recognition at the top management level where a Central Control Section should be set up for materials planning and for securing the introduction of modern techniques.

(69) A Materials Management Manual should be drawn up to give concrete shape to the relevant scientific concepts in each public undertaking and to outline the prescribed procedures in order to facilitate the general adoption of improved techniques.

(70) Training in materials management should be given greater importance. In addition to having fully trained staff in the materials management organization, it will be advantageous to have short-term training imparted to the personnel of other departments as well.

(71) The operating procedures in the public undertakings should be simplified by taking among others, the following measures : (*a*) On the basis of the annual and longer term plans of the undertaking, the Central Control Section for materials management and planning should draw up its own plan and assess the volume of work to be done and the amount and type of materials to be procured; (*b*) Rules involving financial concurrence should be clearly laid down for open tenders as well as limited enquiry tenders and standing committees should be set up for scrutiny and sanction of tenders to avoid inter-branch references within the undertakings; (*c*) Purchases within pre-determined financial limits laid down in the budget should not normally require prior financial concurrence except for the very costly items; and (*d*) Procedure for purchasing low cost items should be very much simplified, reducing or, if possible, even eliminating the need for enquiry and quotations.

(72) In order to avoid heavy stocking of materials, the undertakings should take the following steps : (*i*) project authorities should be precise in estimating the requirements of items like earth-moving equipment, vehicles, common tools, etc., needed during the construction phase. In the larger projects, a Central Planning Group for materials should be set up, under the engineer in charge of construction, for planning the total requirements and phasing their procurement. (*ii*) The recommendations made by foreign collaborators on the provision of spares should be scrutinised in comparison with the position prevailing in similar plants abroad, including the foreign collaborators' own plants. (*iii*) A small cell comprising technical experts and materials management experts should be formed in each large project, and especially in those with substantial dependence on

imported items, to identify and catalogue the spares and to obtain their manufacturing drawings and specifications as a first step towards establishing their indigenous manufacture. Project authorities should take timely steps to create their own workshop facilities in respect of items required in small quantities and non-repetitively. (*iv*) Government should evolve effective inspection arrangements to keep sufficient check on the quality of the products of indigenous manufacturers. They should not come to enjoy a monopolistic position, *vis-a-vis* the purchasing public enterprises under the shelter of Government's understandable desire to promote import substitution. Government should also formulate a uniform policy for the price preference that the public enterprises should extend to indigenous manufacturers to serve as guidelines for the public enterprises, the indigenous manufacturers and the Directorate General of Technical Development.

PERSONNEL

TOP MANAGEMENT

(73) The one factor on which the performance of an undertaking depends most is the quality and effectiveness of its top management. The success or failure of a public enterprise is also directly related to the way in which matters like the set-up of the management boards and recruitment and terms of service of the senior executives of the undertakings are determined.

(74) Making appointments to the boards of managements is one of the most important duties of the Governments. It should be the prime concern of the Government to see that in making these appointments they select the best men available for the jobs and repose trust and confidence in them to enable them to take full responsibility and function effectively. The Study Team has pointed out certain major deficiencies which characterize the manner in which Government have discharged their responsibility in regard to the appointment to the boards. Frequent changes have taken place at the top management levels and on many occasions posts have remained vacant for long periods. Generally, no qualifications have been prescribed for membership of the boards of management.

(75) Government have drawn heavily on their own officers in making full-time appointments to the board and to senior posts for which powers of appointment are reserved to Government. While many of the officers deputed to fill difficult jobs in the public sector have given a creditable account of themselves, the fact remains that in some cases the selection have not turned out to be satisfactory.

(76) The most important requirement today is that of ensuring growth of managerial resources within the public sector. There has to be a conscious effort to accord a preference to persons coming up from within the undertakings while making appointments to posts of chairmen, full-time members of the board and other senior appointments in public undertakings. It is important from the standpoint of morale and incentive and every person in a public undertaking should have a reasonable expectation that if he works hard and well, he will have the opportunity to rise to the highest positions in the undertaking. The ideal situation will be one in which persons growing up from within the undertakings come to man the top posts. However, it may take some

time for the public undertakings to throw up in sufficient numbers experienced and senior men, to occupy the top posts. It will, at times, therefore be necessary to obtain the services of persons from outside the public sector, particularly from the Government. Further, it is desirable, to inject a few persons from outside at senior management levels, as is being done in other countries. However, such appointments should not, in any case, be on deputation. Persons taken from outside for full-time service on the boards or as senior executives in the public corporations of the United Kingdom are required to sever their connections with the parent service if they are Government officers, or, if they happen to be non-officials, with the private organizations with which they were hitherto connected. It may be that at such senior levels, Government officials would not be reluctant to sever connections with their parent service, especially if emoluments in the public sector compare favourably with those obtaining in the Government.

(77) Considering the need for recruiting the best available talent for manning the top posts in the public undertakings, it is essential that, the salaries and conditions of service attaching to these posts are adequate and attractive. In deciding this question there should not be insistence on imposing the salary ceilings obtaining in the Government.

PERSONNEL MANAGEMENT

(78) The most important issues relating to personnel management for public enterprises concern the need for developing the required managerial and technical resources and the adoption of certain practices which are common in the successful private commercial concerns but are quite different from those followed in the Government. The most notable of these practices is the relatively greater speed with which competent men with initiative can advance in the enterprise and those found wanting dispensed with. Thus merit is at a greater premium and security of tenure characteristic of Government service is not present to the same degree in the service of the public undertakings.

(79) One significant defect in our system is our failure to recognize that management of personnel is an inherent part of total management and that the responsibility for personnel management cannot be discharged by an authority remote from the operational area. In Commission's view the senior executive of an operating unit should have sufficient administrative control over the personnel under his charge to be able to manage them effectively. He should, in fact, be held responsible for performing this function efficiently.

(80) The IMP to which about 200 persons were selected in 1959 is the only step Government have taken for developing a common cadre for manning the non-technical posts in the public undertakings and even his scheme has not proved successful. The IMP Scheme, of which the Ministry of Home Affairs is the Controlling Authority, attempted to grant autonomy to undertakings through a compromise by stipulating that it was neither obligatory for the controlling authority to supply a Pool officer for every vacancy nor for the participating undertaking to accept a Pool officer for a particular vacancy. Experience has shown that this formula did not work well at all and it became very difficult to have some of these Pool officers absorbed or moved from one undertaking to

another in systematic way. The Commission is, therefore, of the view that it is neither necessary nor desirable to constitute a common cadre for the managerial and technical personnel for the public sector as a whole. Nor is it desirable to revitalise the old Industrial Management Pool Scheme.

The Commission do not envisage any external agency for undertaking the recruitment of the personnel required by the public enterprises. Even at present public undertakings enjoy near-total autonomy in the matter of recruitment and promotions except for the few senior posts to which appointments are made by the Government or with the approval of Government. They agree with the Study Team that the setting up of a personnel commission for the public sector will not only abridge the autonomy of the public undertakings but also result in delays in the manning of posts in the undertakings. They also agree with the Study Team that the sector corporations will themselves be able to 'ensure regularity and uniformity in selection as well as service conditions'.

(81) The possible alternative to a single common cadre for all public undertakings is the formation of separate cadres for different sectors of industrial and commercial enterprise. Indeed, this would be facilitated once the sector corporations have been set up. It would then be possible to administer a cadre which is common to all the constituent units of the corporation, without having to confer authority for this purpose on an agency which is external to the public sector.

(82) Considering all the above factors the Commission further recommended that: (*i*) Every sector corportion should evolve a common policy for laying down, on a uniform basis, the terms and conditions of service of employees of the corporation. (*ii*) Except for the higher levels of managerial and technical personnel, such as posts with a minimum starting salary of Rs. 1,300 per month or so, full powers of recruitment, promotion and disciplinary and administrative control of staff employed in a constituent unit should be with the unit itself. The sector corporation should, however, have the authority of making inter-unit transfers within the corporation in consultation with the units concerned. (*iii*) Authority for recruitment, promotion and transfer, etc., of persons occupying senior posts described at (*ii*) above, should be vested in the sector corporation. However, all officers in the constituent unit should be under the administrative and disciplinary control of that unit, provided that powers of deciding appeals and of imposing a punishment involving termination of services of a person occupying a senior post should remain with the sector corporation. In respect of heads of departments, the power to impose punishment involving reduction in rank should also lie to the Government against an original order passed by the sector corporation if it is one of dismissal, removal from service or reduction in rank. The appeal should be decided in consultation with the Union Public Service Commission. (*iv*) The Sector corporations and their constituent units should make their own administrative arrangements for carrying out the recruitment and training programmes. (*v*) Arrangements should be made for providing from sector corporations suitable officers to the smaller public undertakings which do not belong to a sector corporation. The possible requirements of such smaller public undertakings for experienced

ersonnel should be kept in view by ıe appropriate sector corporation. 'he Bureau should draw up panels nder the direction of the committee, onsisting of the Director-General of ıe Bureau and two chairmen of ector corporations, for facilitating ıch inter-undertaking transfers. 'he assistance of this committee can lso be taken when intercorporation ransfers are found to be necessary.

(83) A striking feature of the attern of staffing in public underıkings is the continued dependence n deputationists for manning iddle management level and higher osts. A constant inflow of deputaonists in the senior management vels is not desirable because it will e difficult for the deputationists to lentify themselves adequately with ıe undertakings while they continue ɔ look to their parent departments or future promotion. If a considerable portion of top level management ersonnel do not have the sense of elonging to the enterprise, it is difficılt for the undertaking to achieve ıaximum success. From this point of ew, the Commission recommended ıat: (*i*) All necessary steps should be ıken to reduce and eliminate the ependence on deputationists in ıanning posts in the public sector. *i*) For manning senior posts, preerence should be given to persons 'orking in the undertaking. If no uitable person is available in the ndertaking, the best available peron may be selected by tapping all ossible sources including other pubc undertakings, the Government nd the private sector. The appointıent should, as far as possible, be n a regular basis and not on terms f deputation. (*iii*) In the rare case 'hen it becomes unavoidable to ıke an officer on deputation for 'ant of a suitable alternative, the erm of employment in the underıking should, under a contract, normally be for a period of five years with a provision for review of the end of the first year to enable termination of cases of maladjustment. (*iv*) Service rules relating to Government officers should be liberalized for facilitating the permanent absorption of deputationists at any level in the service of the undertakings. Similarly, rules standing in the way of a sufficiently long term of deputation in the public undertakings should be modified to ensure a minimum five-year period.

(84) Enforcement of a uniform pattern in the matter of pay and allowances of employees in the public sector will neither be advisable nor practicable in view of the number and variety of jobs. The best way to ensure rationality and a degree of uniformity in these matters would be to provide information as an advisory service instead of insisting on prior Government approval or conformity with rigid guidelines. The Bureau should act as a clearing house of information relating to service conditions, pay scales and allowances in force in different public undertakings. This information should be made available to public undertakings and the controlling Ministries. In case, any undertaking goes seriously out of the line without due justification, Government will always be in a position to correct the situation by issuing a directive.

(85) Scarcity of trained manpower operates as a severe constraint on the efficient running of public enterprises and the growth of the public sector. Public enterprises which generally operate on a big scale need a large number of specialists, such as applied economists, experts in market research and operations research, company secretaries, cost accountants, materials management experts, personnel managers and experts in work

study and productivity. It is in these fields that the public undertakings will face increasing difficulties particularly with the setting up of sector corporations which have to be equipped with adequate staff organizations. In addition, public undertakings which have entered into new areas of industry like oil explorations, heavy electricals, etc., face another problems posed by their particular requirement for the specialists needed in those areas. Such undertakings have either to depend on training facilities abroad or create their own training capacity at their expense. The first step for meeting manpower requirements and devising adequate training programmes is to have a proper assessment of the manpower needs of public undertakings. The survey of additional requirements for managerial and technical manpower for the Fourth and Fifth Plan periods, made recently by the public undertakings, should be further examined by a body of experts with the assistance of the Institute of Applied Manpower Research. A much more detailed assessment of manpower requirements is necessary to formulate a concrete programme, particularly for the specialized branches.

(86) As for the arrangements for training specialists in different fields only a few undertakings have set up their own institutions and they too are beset with the problems of expense and inadequate utilization of training capacity. Public enterprises need not assume responsibility for basic training in general management, and training in professions. The existing training institutes should be utilized for imparting this type of training. The Bureau, in co-operation with the public undertakings and the Ministries concerned should: (*a*) review the existing training facilities and programmes to avoid duplication of effort; (*b*) identify areas where training facilities need to be extended or increased; and (*c*) evaluate the suitability of training programmes to the requirements of the public sector. Training of specialists and technicians required only by the public undertakings will have to be taken care of by the undertakings themselves. Undertakings operating in the same field of technology should do this in cooperation with each other. Where sector corporations are set up they should provide common training facilities.

(87) Public undertakings are believed to be generally over-staffed and have frequently been criticized by the Parliamentary Committees for this. The Commission recommended that: (*i*) Proper work standards and other control techniques should be adopted from the very beginning to avoid over-staffing. (*ii*) In the undertakings where overstaffing has become chronic, work studies should be undertaken by industrial engineers to find out the extent and area of over-staffing. (*iii*) The normal vacancies occurring in the overstaffed departments may be left unfilled, employees who are found surplus may be allowed to freely apply for jobs outside. Skilled workmen should be persuaded with the help of incentives, if necessary, to do without the assistance of helpers. The practice of having helpers should not be allowed in the new projects. (*iv*) Greater use should be made of the construction corporations in the public sector and non-departmental agencies wherever such a course is feasible.

(88) While surplus personnel do create a problem, a different type of problem is created by the migration of managerial and technical personnel from undertakings where

their services are required. The problem of staff turnover is not much in respect of non-technical personnel but in the case of technical personnel some undertakings are facing an acute problem. Where persons leave after having been trained at the undertaking's expense, the undertakings sustain a direct loss in terms of expenditure, and if training has been imparted abroad, there is a further loss suffered in the shape of foreign exchange. The Commission are of the view that the flight of such personnel who leave after being trained abroad at the expense of the undertaking should be viewed very seriously. The amount for which the bonds should be executed by these trainees should be a fair proportion of the amount spent on them during training and should contain such terms and conditions as are sufficient to deter persons from leaving the undertaking soon after training. Provision should also be made by legislation, if necessary, to enable speedy recovery of the amount of the bonds in the event of their forfeiture. A person who resigns or deserts from the service of a public undertaking within the period for which he has bound himself to serve the undertaking should not be employed under the Government or in a public undertaking till the amount due from him has been fully paid to the undertaking concerned.

(89) It is also important that the technical personnel in the public undertakings do not have to resort to leaving their jobs because of gross inadequacy of promotion prospects. With the setting up of sector corporations which will be in a position to offer much wider prospects and with the introduction of effective career development schemes, the dimensions of the problem will be considerably reduced.

INDUSTRIAL RELATIONS

(90) While Government's labour policy does not distinguish between public enterprises and private concerns in the application of labour laws, it is expected that the public enterprises will conduct themselves in labour matters as 'model employers' and in a manner that may stand out as an example to the private concerns. The Commission recommended, therefore, that: (*i*) The special obligations of managements in the public sector with regards to labour matters should be spelt out more clearly by the Government. (*ii*) Managements of public undertakings should evince keen interest in the welfare of the workers. The personnel policies of public undertakings should be such as would develop the skills and capabilities of the workers and improve their prospects and standards of living. (*iii*) The model employer concept should not be construed to mean that supervising officers should condone or be lenient towards indifferent work or acts of indiscipline.

(91) It should be ensured that every public undertaking effectively discharges all the statutory obligations imposed on the employers by the labour laws. The controlling Ministry and the Ministry of Labour, Employment and Rehabilitation should undertake periodic reviews for this purpose.

(92) Public undertakings should have their personnel managers trained in industrial relations and labour management and should adequately strengthen their personnel departments. A professionally qualified and experienced labour officer should be available at a sufficiently senior level in the personnel department. He should have the facility of direct approach to the chief executive in case he feels that his advice was

being unjustifiably disregarded by any line anthority.

(93) Officers entrusted with labour relations should not shoulder any direct responsibility in matters like recruitment, promotions and disciplinary action against workers. As a rule, a separate section should be established exclusively for labour relations within the personnel department in the larger undertakings, a separate department should be organized solely for labour relations. The labour officers of the Central Pool maintained by the Ministry of Labour, Employment and Rehabilitation may, in suitable cases, got permanently absorbed in the service of the public undertakings. An outside pool need not be maintained for the purpose of deputing officers to the undertakings.

(94) Township and connected facilities should form a separate unit of administration managed by a committee consisting of the officers concerned of the public undertaking and a few representatives elected by the staff and workers living in the township from among themselves.

(95) Cases of illegal strike in public undertakings should be dealt with firmly. The union responsible for launching such a strike should, if it is a recognized union, be immediately de-recognized. Provision should also be made to remove from service, after summary inquiry held in consonance with principles of natural justice, such workers as are proved to have taken part in an illegal strike.

(96) Labour Councils with a prescribed number of members, should be formed for conducting negotiations with the management on labour matters. The members of the Council should be elected once in two years by all the workers, each of them having one vote.

(97) Managements should regard Works Committee meetings as opportunities to inform the worker of their plans and difficulties and to explain the reasons for the changes being initiated. Due publicity should be given to the proceedings of the Works Committee so that the workers' representatives may feel more interested and responsible for what emerges from the discussions. In the joint Management Councils the workers' representatives should be elected by all the workers and not nominated by the Unions.

(98) Steps should be taken immediately to introduce effective incentive schemes for the employees of the public undertakings. The basic approach in working out such a scheme should be to link the earnings of workers to their productivity and performance subject to certain prescribed minima and maxima. The scheme should take into account the existing levels of productivity and prescribe realistic targets in terms of production as well as reductions in costs.

AUDIT AND APPRAISAL

(99) It is neither necessary nor correct than the C & AG's audit should be given up. The objective is different from that of the audit conducted by professional auditors. On the other hand, audit should take an overall rather than a narrow detailed view of performance. Audit, by adopting this role, can render valuable assistance to the management and come to be welcomed and rejected instead of being feared and avoided.

(100) Four or five Audit Boards should be constituted, each Board dealing with specified sectors of public enterprises. These Boards have to function under the general

supervision of the C & AG. Each of these Boards should have five members: three should be permanent members common to all the Boards and should be senior officers belonging to the organization of the C & AG. One of these members of the rank of an Additional Deputy Comptroller & Auditor-General should be the chairman of all the Boards. Each Board should have two part-time members to be appointed by the Government in consultation with the C & AG. These part-time members should be selected having in view the area of enterprise the Audit Board is required to deal with. Part-time membership need not be restricted to serving officials. Selections may be made from the ranks of senior experienced persons working in public enterprises or from among experts in commercial or financial matters.

(101) The staff required for the Audit Boards should be recruited through the Union Public Service Commission. Those who are already working in the audit offices may also apply for posts in the Audit Boards. The selected staff should undergo a course in orientation for which arrangements should be made. The existing departmental set-up of the Directorate of Commercial Audit should be utilized until the new recruits take over the work.

(102) For taking care of the regularity audit, the Audit Board may also utilize the agency of professional auditors who are trained for this work and who have also gained experience of doing this work with regard to the Government companies. For conducting efficiency audit, the Audit Board will, of course, utilize its own staff. Multiplicity of audits will be avoided by clearly defining the area of work to be carried out by professional auditors, the Audit Board concentrating on the rest of the work including efficiency audit. For each undertaking or class of undertakings combined audit parties comprising the staff of Audit Boards as well as of professional auditors should be formed so that their task may be carried on concurrently and collectively. Thus the chance of duplication will be effectively reduced. Reports relating to individual undertakings should be discussed in the Audit Boards in the presence of the representatives of the Ministry concerned and the public enterprise under examination and this report should be placed before Parliament with such comments as the C & AG may wish to make.

(103) It should not be necessary for the Board to undertake a comprehensive review of the work of each undertaking every year. Its programme can be so phased that the comprehensive review in respect of each undertakings is completed once in every five years. Regularity audit involving annual verfication of accounts and the preparation of balance sheets and profit and loss accounts should, however, continue to be done annually, professional auditors also being used by the Audit Boards for the purpose.

(104) It would be desirable to constitute these Audit Boards through an Act of Parliament. The enactment may define the role, functions and powers of these Boards as well as their relationship with the C & AG. Closely connected with the question of audit is the important question of a systematic appraisal of the performance of public undertakings by an external agency.

(105) An Investigation by a body of persons having professional

competence in audit work in co-operation with experts from outside will not only indicate the true financial status and prospects of an enterprise but will also inform management of the areas of possible improvement. The task of undertaking periodic and systematic apparisal of managerial performance should be entrusted to the proposed Audit Boards.

INDIA, REPORT OF FINANCE, ACCOUNTS AND AUDIT, Administrative Reforms Commission, New Delhi, 1968, p. 114.

The Administrative Reforms Commission submitted its Report on "Finance Accounts and Audit" on January 13, 1967.

The terms of reference relating to Financial Administration required the Commission* to make an examination of the following issues:

(*i*) Budgetary reforms;

(*ii*) Reform in the administration of accounts;

(*iii*) Role of audit;

(*iv*) The system of expenditure control, including procedures for sanctioning schemes and the problem of financial delegation and decentralization; and

(*v*) Procedure governing finnancial relations between the Centre and the States.

The important findings/recommendations of the Commission contained in the above report are as follows:

THE BUDGET

GENERAL

(1) The present approach to budgeting procedure has been revenue-and-expenditure oriented and is seldom imbued with a concern for speed and efficiency so urgently needed for the attainment of our socio-eonomic goals and objectives. In a developing economy, the Budget should be a meaningful reflection of the national developmental effort, and a means for evaluating the progress of projects against set targets, as well as a tool for securing the efficient management of operations entrusted to the executive and their evaluation.

PERFORMANCE BUDGETING

(2) As stated by the Working Group on Performance Budgeting "from the point of view of the Plan implementation, our budgets have failed to provide an adequate link between the financial outlays and physical targets, notwithstanding the growing amount of data now being supplied in the budget documents". There is, therefore, an urgent need to introduce a system

* The Commission had appointed 2 study teams to investigate the matter: (*i*) Study Team on Financial Administration, and (*ii*) Study Team on Accounts & Audit. In addition, three working groups were constituted by the first study team for assisting it in the examination of issues relating to performance budgeting and Centre-State Relations. This report does not contain views relating to financial relations between the Centre and State and problem of specific delegations of power which have been left over by the Commission for its reports on "Centre-State Relationship" and "Machinery of Government",

which will provide such a link and that link must take the form of a "Performance Budget".

(3) The departments and organizations which are in direct charge of development programmes should introduce Performance Budgeting. This should be done both at the Centre and in the States. In as many as possible of the departments and organizations selected for performance budgeting, the scheme should be introduced with effect from the Budget for 1969-70. For the others the scheme may be introduced in the Budget for 1970-71. The Finance Ministry should assume responsibility for introducing the system and give a lead to the States in the matter.

(4) The performance budget documents should be prepared in the following manner. A programme and activity classification should be made for each department or organization selected for the purpose of performance budgeting. Besdies presenting the financial needs of those programmes and activities, the expenditure should be classified in terms of "object", *e.g.*, "Establishment". This should be followed by a narrative explanation justifying the financial requirements under each activity. This explanation should include information on targets, comparative performance over the years, etc. All this will constitute the performance budget. It should be accompanied by the Demands for Grants which will continue to serve as the medium through which appropriation control is exercised.

(5) The programme and activity classification should be entrusted to a team consisting of officers drawn from the Ministry of Finance, the administrative Ministry concerned and an officer of the Audit Department.

(6) In the departments and organizations where performance budgeting is to be introduced, the administrative and financial management system covering the planning, programming, budgeting, reporting and evaluation should be strengthened with a view to adapting these to the requirements of performance budgeting.

(7) A suitable training scheme should be devised for those who, at different levels, will be concerned with the introduction of performance budgeting. The Finance Ministry should prepare a manual on performance budgeting, covering the various issues involved and containing instructions of a practical nature for the guidance of all concerned with the budgetary process.

HEADS OF ACCOUNTS

(8) In order to facilitate the introduction of performance budgeting and keeping in view the growth in the volume and diversity of the expenditure incurred by Government in the present era of planned development it is necessary to review the present system of classification of expenditure and consider the changes necessary to adapt it in the light of changed conditions.

(9) Having regard to the fundamental importance of the accounting structure to the efficiency of programme planning and administration, the structure of major heads of accounts may be reviewed and recast in terms of broad functions and major programmes of Government. The heads of development adopted for plan purposes may also be reviewed with a view to

establishing a direct correlation between these heads and the general accounting heads.

(10) Programme, activities and projects of all the departments and organizations where performance budgeting is sought to be introduced should be clearly identified and the minor heads connected with these programmes suitably recast so as to reflect those activities.

(11) Representatives of the C & AG, the Planning Commission, the Finance Ministry and the administrative Ministry concerned should be associated with the task of drawing up of the programme for the implementation of performance budgeting.

(12) Statements should be prepared each year, as a supplement to budget documents, analysing the plan outlays under various heads of development into components corresponding to the accounting heads.

THE FINANCIAL YEAR

(13) The question of revision of financial year, though raised several times since its inception (in 1866 by the British), has become more lively since Independence. This is necessitated by the following reasons: (*i*) India is predominantly an agricultural country and, therefore, the financial year should be such that the dominant character of the principal monsoon should be known before the budget is finally settled; (*ii*) The continuous spell of the working season or as much of it as possible should fall within a single financial year; (*iii*) The period commencing from the end of the monsoon and extending up to the peak of the next hot season constitutes the season of most intense activity, and (*iv*) ' timing of the budget session of C tral and State Legislatures shc be suitable for the members ther

(14) It is recognized that change in the financial year wc cause in the short run considera dislocation in the administrative : statistical fields of activity. that consideration should deter one from adopting a m rational, practical and conveni system. The financial year, shou therefore, commence from 1st of November instead of the of April as at present. This sho be adopted both at the Centre a in the States.

ACCURACY OF BUDGET ESTIMATE

(15) The present budget fo casts are generally based on actu which are out of date by so months, at least, if not a wh year. In the changing econor situation, particularly in a peri of recession or jolt to econo resulting from a radical change, su a time lag is bound to entail u desirable consequences unless es mate receipts and expecting retu turn out to be accurate. Arrang ments for collection and study statistical data having a bearing taxation should be reviewed a improvements effected, keeping view the need for up-to-date acc rate and comprehensive informati necessary for preparing the estima of revenue.

(16) Over-estimation of expend ture aggravates the evil consequenc of under-estimation of revenu While psychological factors leadi to over-estimation of expenditu may be cured through a reorient tion of outlook, improvement i managerial techniques should hel in reducing, if not eliminating, larg

shortfalls from the expected levels of expenditure on projects. It is recommended that a system of forward looking budget should be attempted for each service and activity wherein requirements of manpower and materials for a few years should be ascertained in advance. The budget so framed should be reviewed every year with formulation of financial requirements of each year. During the course of construction of projects, systematic cash flow statements should be prepared and in this connection, modern control techniques like PERT should be made use of.

LAPSE OF GRANTS

(17) In order to overcome the reluctance of the Ministries/Departments to surrender funds in time the Finance Ministry should give an assurance through a circular that under-spending in one year would not prejudice the budget estimates for the next year.

LUMP SUM AND TOKEN GRANTS

(18) The tendency to make lump sum provisions is, like the tendency to over-estimate expenditure, an instance of laxity in budgeting which needs to be held severely in check. It should be accepted as a general rule that no provision should be made in the budget for a scheme unless adequate details for information have been furnished to the Finance Ministry and accepted by it.

(19) Lump sum provisions in the budget should be permitted only in the most exceptional cases, *e.g.*, where urgent measures are to be provided for meeting emergencies or where comparatively moderate amounts are to be expenses in a project for which only a rough estimate can be made and details cannot be furnished.

(20) The Contingency Funds of both the Central and State Governments should be enhanced suitably to enable funds being found for urgent schemes or projects which cannot be postponed till the estimates of next year are placed before the Legislature.

(21) Misuse of the system of "token" grants is another instance of budgetary indiscipline. Token grants should be asked for only when the approval of Parliament is necessary for a "new service" and the funds for that service can be found by re-appropriation.

BUDGET AND ECONOMIC ANALYSIS

(22) An economic analysis of the budget is required for enabling the Parliament "to review broadly the pattern of allocation of resources and its impact on the rest of the economy". Such an economic analysis is of special importance in developing countries where the rest of the transactions on Government account form a significant part of the total economy.

(23) The Ministry of Finance has been bringing out an economic classification of the Central Government Budget since 1957-58. This should be extended to the budgets of the State Governments and to all the non-departmental public sector undertakings for a proper appreciation of the Government's role in the generation of income, savings and capital formation.

(24) The economic classification should be integrated with the budgetary process itself and to every demand for grant there should be

attached an economic classifiation of that particular demand.

CONSIDERATION BY PARLIAMENT

(25) It is one of the primary functions of the budgetary process to satisfy the requirements of accountability to Parliament. To make the discussion on demands more informed and purposeful the Minister concerned should invariably open the discussion on Demands for Grants pertaining to his Ministry and explain the policy underlying he estimates, the physical prorammes planned and the perormance, etc., during the preceding ear. Similarly, the Annual Reports f the Ministries and departments hould include a full exposition of ieir needs and a justification for he funds asked for.

FINANCIAL CONTROL AND MANAGEMENT

(26) For a constructive, purposeul and imaginative financial control ver public expenditure, it should e obligatory for each Ministry to ave a whole-time Internal Financial dviser of adequate seniority and ank. This officer should be placed 1 charge of the Finance and Budget ell of the Ministry and should be sponsible for the financial manaement and control within the finistry's field of responsibility. e should not be entrusted with any ther work or office management, c. It should be open to the Govnment to entrust one office with e work relating to more than one finistry/Department.

(27) The procedure for consultion with the Finanial Adviser id the type of cases in which he ould be consulted should not be ft to the discretion of individual inistry. A set of model rules should be framed for the guidance of administrative Ministries in this matter.

(28) The Finance and Accounts Branches of the administrative Ministries should be suitably strengthened wherever necessary and staffed with qualified and well trained personnel.

(29) The Finance Ministry should help the administrative Ministries to organize well-equipped internal Finance Branches. For this purpose, it will be necessary to : (*i*) ensure proper training of the junior officers, and (*ii*) provide for officers in the middle levels suitable opportunities to acquire varied experience and knowledge of public administration.

(30) The Financial Adviser should bring to his assignment a background of field experience and at an appropriate stage he should be given such orientation as to equip him for the role and functions of Financial Adviser. The officers without a similar background should be provided this experience as early as possible in their careers as Financial Adviser.

(31) There should be a provision for periodical interchange between the officers of the Finance Branches and other branches of administration.

(32) If a feasibility report has been accepted by Government and the detailed scrutiny thereof is likely to take considerable time, the administrative Ministry should be allowed to incur expenditure on preliminary work subject to specified financial limits.

(33) A definite time limit, say three months, should be prescribed for the consideration of schemes by the Finance Ministry. If the

decision of that Ministry is not reached within the prescribed period, the case should automatically be put up to the Finance Minister who will decide upon the action to be taken and will communicate the decision to the administrative Minister concerned.

(34) There is considerable justification in the general complaint that the increase in staff has been out of proportion to the needs of work. Proposals of the administrative Ministries for additional staff or creation of new posts should, therefore, be considered by an independent agency, namely, a well-equipped and well-trained Staff Inspection Unit. In cases of sudden unforeseen increase in work due to extraordinary circumstances, the Ministries and Departments should have power to create, only for very short periods not exceeding three months, temporary posts if funds can be found by reappropriation within the existing budget provision. Such powers may be made available to Heads of Departments also.

Government Accounts

Introductory

(35) The outstanding features of the general system of Accounts and Audit are "a combination of audit and accounting functions with an independent Comptroller and Auditor General, a decentralized system of payments and receipts through numerous and widely dispersed treasuries and a uniform pattern of classification and accounting procedures applicable alike to the Governments at the Centre and in the States". While conceding that "the system has acquired over the years some commendable features, such as simplicity and uniformity, it has also displayed a certain weakness in adjusting itself to the needs and pressures of enormous changes in the nature and objectives of Government activities". The first objective of the system must be to ensure that Parliament receives a full and reliable account of the Executive's stewardship of the funds provided to it. The form of the accounts must be such as to facilitate audit and a comparison of actual results with the appropriations approved by Parliament. Secondly, the accounting system should be so organized as to produce readily all information necessary to enable the Executive to fulfil its accounting responsibility to the Parliament. Thirdly, the administrative Ministries and other operative agencies should have internal accounting and reporting systems suited to their individual needs and equipped to produce timely information to aid them in taking sound managerial decisions.

Reforms in Accounts & Payments Set-up

Simplification of Central Accounts

(36) The Budget Estimates included in the Demands for Grants and the corresponding central accounts compiled in the various accounts offices should be made more compact and comprehensible by the following measures: (*a*) the details containing the break-down of primary units of appropriation into detailed heads may be eliminated from the central accounts compiled in the various accounts offices and to the extent considered necessary for administrative purposes be recorded only in the departmental accounts; (*b*) the entire structure of primary units of appropriation may be reviewed by the Ministry of Finance in the light of the wider powers

of reappropriation now available to the administrative Ministries and consistent with the objective of smplifying the accounting structure; and (*c*) The structure for the Demands for Grants may be simplified by a grouping of individual schemes within a homogeneous programme to the extent feasible and the detailed breakdown for smaller schemes involving an expenditure of, say, less than Rs. 5 lakhs, may not be provided in the budget papers.

Agency for Compilation of Central Accounts

(37) As a matter of general policy, the responsibility for the compilation of central accounts may continue to vest with the Comptroller and Auditor General, except in the case of the Departments for which separate accounts offices have already been established.

Maintenance of Efficient Accounting Set-up

(38) Although there has been some recognition in recent years of the importance of developing and establishing modern accounting systems within the administrative Ministries, no appreciable progress towards giving a practical shape to this concept has been made so far. The Commission were convinced that there is an urgent need as well as considerable scope for improvement of the accounting set-up within the Ministries with a view to enabling them to exercise better control over the expenditure incurred and result achieved by their officers. The Commission envisaged an integrated system of accounts in which only the appropriation accounts employing a uniform pattern with a minimum of detail will be maintained by the Comptroller and Auditor General and subsidiary or supplementary accounts to assist managerial performance will be organized and developed within the administrative departments in accordance with their varying needs. The accounting system within the departments would itself have to be so devised as to furnish timely and relevant data and analysis in terms of the requirements of the executive authorities at various levels.

(39) As a supplement to an effective accounts system, it will be necessary to develop and install within the administrative department, a proper organization for internal audit. The absence of an adequate set-up for internal audit in the administrative Ministries is partly responsible for laxity in financial controls within the departments and vast multitude of technical and routine objections with which the Comptroller and Auditor General is pre-occupied and over-burdened. An efficient organization for internal audit will be of great assistance in relieving statutory audit of the necessity of detailed checks on individual transactions and will help to direct its attention mainly on the weaknesses of the financial system as a whole and the substance of performance by administrative agencies.

(40) The Internal Financial Adviser with proper assistance at subordinate levels should be charged with the responsibility for establishing and maintaning an efficient accounting set-up within the administrative agency. The accounting set-up should be such as to ensure the timely submission of accounting data and analysis to the executive authorities to assist their managerial performance and should include an efficient organization for internal audit as well as the employment of modern techniques, such as cost accounting and

management accounting. Adequate arrangements should be made for imparting suitable training to the accounting personnel at various levels.

(41) The accounts organizations set up in the various Departments should compile inventories of immovable property belonging to Government and administered by those Departments. A Central inventory of the fixed assets of the Government as a whole should then be made out in the Finance Ministry on the basis of the Departmental compilations.

Minimum Use of Exchange and Settlement Accounts

(42) As a general rule every Accountant General should be made responsible for the final accounting of the transactions which originate in his Accounts Circle.

(43) The operation of Exchange and Settlement Accounts should be minimized with a view to avoiding delays in the final adjustment of accounts and the device of settling accounts between different Circles through cash, cheques or bank drafts should be utilized to the maximum extent.

Treasury Procedure

(44) The present system* and procedures of treasury are very irksome and dilatory. The existing system and procedures should be thoroughly overhauled and attempt should be to make payment to the citizen either at his bank account or at his door.

Payment of Salary and Pension

(45) Keeping in view the frequent complaint about the methods and procedures for payment of dues to government servants, the Commission recommended that the Individual Running Ledger Accounts system may be extended to cover all such gazetted officers of the Central Government departments like Income-tax, Customs, Central Excise, Central Public Works and Survey of India, as are liable to frequent transfers from one Accounts Circle to another. Heads of Offices may be authorized to draw and disburse the salaries of gazetted officers, as they do for non-gazetted officers, in the case of those who are ordinarily not liable for transfer outside a specified Accounts Circle.

(46) The G.P.F. accounts of officers who are liable to frequent transfers between different Accounts Circles may be centralized in the case of those for whom I.R.L.A. are not maintained for salaries. This system is already in vogue in some departments and can be extended to others. The transfer of G.P.F. credits from one Circle to another may be effected by bank drafts and not through Exchange and Settlement Accounts which cause considerable delay. In the case of deceased Government employees, Heads of Offices/Departments should themselves initiate action to obtain from the nominees of the deceased the applications for the final settlement of the G.P. Fund. They should also notify the event of death direct to the Accounts Officer maintaining the G.P.F. account concerned so that he may take prompt action for the settlement of the account on receipt of application for payment.

(47) As soon as a Government servant completes twenty five years

* The Commission have set up a working group of persons with actual experience of treasury work to enquire into the problem and its recommendation would be presented later.

of service, his department and/or the accounts office should verify the service and intimate to him the then length of the qualifying service. If the Government employee does not get such an intimation within six months of the completion of qualifying service he should be entitled to ask for such an intimation, which should be given within a month of receipt of a requisition from him. This verification will expedite the settlement of the pension when the employee actually retires from service.

(48) All formalities connected with the sanction of the pension should be completed well before the last month of service of the employee so that he may commence to draw his pension from the month succeeding.

MECHANIZATION AND REVIEW OF ACCOUNTING SYSTEM

(49) The mechanization of accounts raises such far-reaching issues that it calls for a careful examination by an expert committee which may review the progress of the new technique within the country, assess the advantages that have so far accrued from it and recommend specific areas in which data processing techniques can be introduced with notable advantage.

AGENCY FOR IMPLEMENTING REFORMS

(50) The initiative and responsibility for a review and reorganization of the accounting system in its various aspects may be located in the Ministry of Finance and a well-equipped organization may be set up there for this purpose. The C & AG may be closely associated with the Ministry of Finance in undertaking a joint programme for improvement in the accounting system.

AUDIT

SCOPE OF AUDIT

(51) The legislation envisaged in Article 149 relating to the duties and powers of the Comptroller and Auditor General has not yet been enacted by Parliament with the result that the Government of India (Audit and Accounts) Order, 1936, as adapted, continues to delineate these duties and powers. We consider it desirable that they should be clearly defined by a Parliamentary enactment as early as possible. The enactment should provide for a more comprehensive statement of the functions of the C & AG keeping in view the growth in the volume and complexity of Government's financial transactions.

(52) A specific provision may be made in this enactment for: (*a*) the audit of all revenue receipts of Government; (*b*) the audit, in his discretion by the C & AG, of the accounts of bodies receiving Government assistance in the shape of substantial investments or grants-in-aid with a view to ascertaining that the funds provided have been used only for the purposes intended; and (*c*) the audit in his discretion by the C & AG of the accounts of contractors with whom contracts for a value exceeding a crore of rupees are settled by Government through direct negotiation and not as a result of open competitive tendering.

SUBMISSION OF ANNUAL REPORTS

(53) At present, considerable delay occurs in several of the States, though not at the Centre, in the presentation of the Appropriation Accounts and Audit Report to their Legislatures. The position with regard to the submission of Finance Accounts is

unsatisfactory both at the Centre and in the States; and several months elapse after the presentation of the Appropriation Accounts of any year before the Finance Accounts of that year are submitted. It is a matter of utmost importance that all avoidable delays in the preparation and transmission of the annual Accounts and the Audit Reports to Parliament and the State Legislatures are eliminated.

(54) Definite dates should be set for the submission of the Appropriation Accounts, the Finance Accounts and the Audit Reports by the Comptroller and the Auditor General through mutual discussion between the Comptroller and Auditor General and the Union and State Governments, as the case may be. The Finance Accounts may be submitted simultaneously with the Appropriation Accounts and the Audit Report. The Central and the State Governments may issue executive orders for placing of the Annual Appropriation Accounts and Audit Reports on the table of the House within a prescribed period after their receipt from the Comptroller and Auditor General. This period may be limited to, say, a week if the Parliament/State legislature is in session.

AUDIT OBJECTIONS AND COMMENTS

(55) One of the chronic problems in the field of audit is the heavy arrears of audit objections and inspection reports pending with various Ministries. The Commission, therefore, recommended that the Comptroller & Auditor General may review the internal organization and procedures with a view to associating senior officers more effectively with the initial stages of audit operations.

(56) The Audit Department should give more pointed attention to an examination of the internal systems and procedures within administrative agencies and, where necessary, submit periodical reports to Government for consideration and implementation of the suggestions for reform. The Comptroller and Auditor General should take necessary steps to strengthen and develop necessary competence and expertise for the conduct of propriety-cum-efficiency audit and generally extend the scope of this type of audit to cover all developmental activities of Government.

(57) As an answer to the criticism on exercise of 'hind-right' by the audit the Commission recommended that Audit should endeavour to consider and present its comments against the background of the relevant circumstances existing at the time of the decisions and the overall objectives and achievements of the related programmes and activities.

ANNUAL AUDIT REPORT

(58) As one of the primary objectives of audit, undoubtedly, is to ensure that the mistakes and irregularities detected by them are rectified and proper remedial steps taken to prevent the recurrence of similar mistakes in the future, it should be the general policy of audit not to pursue objections relating to omissions which have been rectified or with regard to which adequate steps have been taken to provide safeguards for the future. The Comptroller and Auditor General should exercise his discretion in excluding from the Audit Report references to such objections in respect of which the necessary rectification has been made and adequate remedial action has been taken for the future. It should, of course, be open to him to report

on these objections if a matter of substantial public interest or importance is involved.

AUDIT OF PUBLIC SECTOR UNDERTAKINGS

(59) Regarding the audit of public sector undertakings the Commission had recommended in their report on Public Sector Undertakings that four or five Boards should be constituted under the general supervision of the C & AG to deal with the audit of specified sectors of enterprises. It had been further recommended that the Board need not undertake a comprehensive review of the undertakings each year. This does not, however, mean that Auditor General should not continue to have the power to carry out a Supplementary audit of these undertakings for a period not covered by the comprehensive audit, through the medium of the Audit Boards. As the Audit Board would be functioning under the general supervision of the C & AG it would be open to the C & AG, whenever meeting to conduct such a supplementary audit and to entrust such work to the Audit Board.

(60) Every effort should be made by Audit to settle objections arising out of award of contract of works, supplies and services through discussions with the management and, if necessary, with the concerned Ministry. The aim should be to resolve all disputed points between audit and administration at appropriate levels so as to obviate the need of their being included in the audit reports. This procedure for consultation with audit for the settlement of objections relating to contracts should be made widely known to the management by the administrative Ministries in consultation with the Comptroller & Auditor General.

AUDIT OF REVENUE RECEIPTS

(61) The divergence of opinion with regard to the interpretation of the tax laws and rules and regulations is occasionally a source of friction between the Audit and the Revenue Departments. The Commission, recommend that differences with regard to the interpretation of tax laws should be settled between the Audit and the Central Boards through consultations in a spirit of goodwill, understanding and appreciation of their complementary roles in pursuit of a common objective.

AUDIT OF PANCHAYATI RAJ INSTITUTIONS

(62) Because of the importance of Panchayati Raj institutions, they are receiving large sums of government grants. Therefore, it is necessary that audit must be made more effective and fruitful. The post of Examiner of Local Funds Accounts may be accorded a sufficiently high status and supported with a well-equipped organization under his control, to enable him to discharge the responsibilities for the audit of Panchayati Raj institutions. The Comptroller and Auditor General may, in his discretion, issue directives to the Examiner of Local Funds Accounts to discharge audit responsibilities on his behalf. The Consolidated Finance Accounts of Panchayati Raj Institutions be further supplemented with information on the progress of important schemes and programmes and the position with regard to the taxes and cesses levied and collected.

REVIEW BY PARLIAMENTARY COMMITTEE

(63) The Study Team on Financial Administration has recommended that the Public Accounts Committee, in addition to

reviewing the expenditure of Government Departments, should examine the expenditure of public undertakings. The review of performance is, however, to be entrusted to a new Committee to be known as the performance Committee, which will examine the performance of Government Departments as well as public sector undertakings. There will then be no need to have the Estimates Committee and the Committee on Public Undertakings. The Commission were not in agreement with these suggestions. A review of expenditure divorced from a consideration of the related performance will be artificial as the authority examining a particular item of expenditure cannot, and should not, close its eyes to the results which that expenditure has achieved. The report based on such a restricted review will provide but an incomplete picture of the activities involved. The Commission have already, in their report on Public Sector Undertakings, recommended a more important role to the Committee on Public Undertakings which will include a review of performance. The Commission do not, therefore, agree even to a restriction of the functions already proposed for that Committee, let alone to its abolition.

(64) As regards the review of performance in Government Departments it may be entrusted to the PAC, which has had a long and admirable record in the field of scrutiny of public expenditure. In fact, even today that Committee concerns itself, as already stated, with the "wisdom and economy" with which public funds are utilized and does not restrict itself to a scrutiny from the point of view of formal regularity. It will, therefore, be in the fitness of things that when *performance budgeting is introduced*, this Committee should also review the results of expenditure for the Government Departments from the point of view of performance. The Commission also did not agree with the suggestion that the Estimates Committee may be abolished. There is an area now covered by the Estimates Committee which is not traversed by the Public Accounts Committee and the Committee on Public Undertakings, and the Estimates Committee may continue to cover that area. Performance as such need not be gone into by the Estimates Committee, as that will be gone into by the other two Committees.

BOOK REVIEWS

THE NATO INTERNATIONAL STAFF SECRETARIAT: By ROBERT S. JORDAN, London, Oxford University Press, 1967, p. x+397.

This volume is a welcome addition to the field of studies in international organization. Few people, particularly in the South and South-east Asian regions, seem to know much about the NATO, the North Atlantic Treaty Organization, that came into being in Europe in 1949. For that matter even in Europe and America not much was known about it. In 1954, the survey made by the International Press Institute, Zurich, "discovered that 72 per cent of the American people, 82 per cent of the British, 87 per cent of the Italians, and 89 per cent of the French" in whose capital city of Paris the NATO headquarters functioned until last year, "had no idea what NATO was or what it stood for".

Students of International Affairs and Organizations, however, have some general idea that NATO is a Defence Alliance, created by the United States, Great Britain, France, and twelve other states of Europe, the Near East and the Middle East, to contain effectively the aggressive programmes and policies of such states in Europe and Asia, which in the aftermath of World War II, were pursuing fanatically the political, economic and social ideologies of Marxism-Leninism. But such students have known little about the complicated administrative machinery of NATO, its infrastructure, and its elaborate functional processes; for there has been no authoritative work on it. With the publication of the present volume by Dr. Robert S. Jordan, Associate Professor of International Affairs, George Washington University, this deficiency is removed.

The body of the book is divided into twelve chapters, preceded by a Foreword and Acknowledgment, a Table of Contents with the chapters grouped under five main headings, a List of Abbreviations, and followed by a Bibliography and an Index.

Primarily this is an informative volume on International Administration. It presents the work of the NATO Council, composed of either the Foreign Ministers of the governments of the participating States, or other persons of equivalent rank and responsibility deputed by them, and also the composition and administration of the several Committees and Boards that function under the aegis of the Council. In 1951, there were 8 such agencies; twelve in 1952, twenty in 1953, and 34 in 1957—not perhaps as a clear proof of the validity of Parkinson's Law, although this may be partly true, but largely as a response to the multipurpose pressures which are inevitable in an international defence administrative organization like the NATO.

Secondly, the book is a study in international affairs and cooperation. The reader is aware throughout that the Council was forever encountering difficulties due to national and political pressures. Several

times the smaller members of the Alliance felt that although they were sovereign states, they had to accommodate to the weightiness of the larger members. In 1955, the Council was forced to devote a good deal of time in examining "the situation in the Middle East, and particularly to Soviet aims there". There was "friction between Greece and Turkey and Britain over Cyprus", and there were "the French difficulties in North Africa, particularly in Algeria". In 1956 "the greatest strain of NATO's political life up to then began to develop", when the United States and subsequently Great Britain declined to finance the construction of the Aswan Dam in Egypt. Infuriated by these refusals, Egypt nationalized the Suez Canal, which under the Treaty of Constantinople of 1888 was an international waterway. Immediately an Anglo-French expeditionary force was dispatched to the canal zone on the pretext that it must put an end to the fighting that had begun between the Egyptian and Israeli forces. NATO members disapproved. "The key-point at issue was the fact that neither the United Kingdom nor France (both prominent members of the NATO) had consulted their allies before action was taken". However, Mr. John Foster Dulles was able to quench the conflagration, saying, "It is our firm resolve to find a means of burying the past discords and opening the way to a fruitful and peaceful cooperation". It is with such a "give and take" spirit that NATO has proved itself an effective agency of international co-operation.

Thirdly, the book manifests a practical approach to the thorny concept of national sovereignty, the spinal column of political theory, insofar as it is related to international organization. NATO does not claim to be a super—or supranational agency. In law it is not, but in fact it is difficult to ignore the observation of Mr. Lester Pearson, the Foreign Secretary of Canada, when he said that even though "NATO is not a supra-national entity", provision has to be made for "a new assurance through adequate international measures that power, traditionally the main attribute of sovereignty, will not be used for wrong purposes and against the general interest....Although sovereignty remains in reserve, as a political and psychological safeguard, a growing degree of renunciation is and must be accepted in practice for NATO to work at all." The NATO Committee on Non-Military Cooperation also asserted *inter alia* that "the Nation-state by itself and relying exclusively on national policy and national power, is inadequate for progress or even for survival in the nuclear age...the growing interdependence of states, politically and economically as well as militarily" points out that "no state, however powerful, can guarantee its security and its welfare by national action alone". Here is a lesson which absolutists in political and legal theory as well as decision-makers everywhere would do well to ponder over when they formulate political policies, especially in the realm of foreign affairs.

Lastly, the book is an assessment of the first Secretary-General of NATO, Lord Ismay. In this context it is a psychological study of personality and its influence on organization. Society may be regarded as egalitarian in its components, but no organization can operate independent of personality and leadership. It cannot be doubted that Lord Ismay radiated his personality, vision and tact not only in organizing but also in building brick by brick this great international defence organization.

In fine, Dr. Jordan has rendered a very useful service to all students of organization and administration. His work is fully documented, its parts cogently arranged, and his language lucid and helpful. The book may well be regarded as a "must" for all students of international administration.

C. J. CHACKO

FOUNDATIONS OF LOCAL SELF-GOVERNMENT IN INDIA, PAKISTAN AND BURMA; By HUGH TINKER, Bombay, Lalwani Publishing House, 1967, p. 346, Rs. 20.00.

Mr. Hugh Tinker's book, as the title indicates, is mainly a historical narration of the development of local self government, both urban and rural, in India, Pakistan and Burma. He has taken great pains in delving into old records, reports and proceedings with a view to presenting the development of local self governing institutions in these countries in a historical perspective and he has done well in going briefly into the working of similar institutions in Great Britain. For, in spite of any amount of hair-splitting or intellectual *tour de force*, it can hardly be questioned that the local self governing institutions as they have been intended to function in India or as they are understood in modern societies, did not grow from below in our country but were given to the people from above. Though Mr. Tinker has made only a passing reference to it, the setting up of local bodies in India was mainly motivated by financial considerations, that is to say, it was felt by Government that it would be easier to raise fiscal resources for education, health, roads and the like at the local level if the people were associated with taxation and local administration, thereby reducing the burden for government. The thesis that local self government would prepare the people for higher responsibilities was certainly there. Mr. Tinker has rightly emphasized the contribution of Lord Ripon in energizing these institutions and also in pointing out how the provincial governments and district officers did not fully carry out the reforms projected by him. It would be a matter for speculation now as to whether the course of our local institutions would have been substantially different had the wishes of Ripon been carried out in the spirit.

The continuance of local self governing institutions in India, Pakistan and Burma under strict official control for a large number of years certainly prevented the generation of popular response; it probably also engendered a feeling of hostility towards local administration—a psychological factor which continued to permeate relationships between Government and the people for a long time. Tensions within local bodies, as well as in the larger sphere of Government itself, still exist as shadows of the past. Mr. Tinker emphasizes throughout the importance of these institutions, both from the administrative and the political points of view, though he does not fail to point out the many weaknesses that these institutions have continued to display during their career. During Lord Curzon's time local self governing institutions went into eclipse, more or less because of the Viceroy's over-fondness of centralization. It is a pity that an institution which was theoretically valid and empirically of proven use should have been subjected so much to the whims and vagaries of individual administrators and not left to grow as a natural organism. As

Mr. Tinker has repeatedly pointed out, the proper development of these institutions got badly distorted and efforts to put them on the right track were either sporadic or unsuccessful. He is also right in insinuating that the upsurge of Indian nationalism in the post-First World War period and the demand for self Government tended to convert local governments into arenas of struggle against a foreign government, thereby queering the pitch for their healthy evolution.

Mr. Tinker's book provides a vast amount of material on various aspects of local administration—economic factors, education, water supply and taxation. It is not surprising that this book with its limited scope has not gone into the question of the principles of taxation in the complicated relationships of a federal structure.

It is heartening to note that even though most of this book is an account of failures, whatever the reason—and Mr. Tinker does not hesitate to place the blame where it is due—he does not throw his hands up but does assert that "a healthy system of local government offers almost the only method of keeping a check on the new bureaucracy created by the growth in the activities of the State (as in the United Kingdom)". It will be seen that Mr. Tinker's approach is basically conventional and he has not attempted to look at local self governing institutions from the sociological point of view or as a dynamic instrument for the furtherance of democracy by securing active public participation at the base. Besides, these institutions, both in the urban and the rural sphere, have a very fundamental role to play in meeting the explosive challenge of urbanization. That they have acquired a new dimension and significance cannot be gainsaid and complicated questions about the relationship between the urban and rural institutions on the one hand, and their relationship with the State Government on the other, remain to be adequately answered.

Mr. Tinker's book is a valuable addition to the literature on the history of local bodies in India, Pakistan and Burma.

One small point : on pages 157 and 343 (foot note), he has mentioned the name of S. P. Tandon. It looks like a mistake : it should probably be Shri Purshottam Das Tandon.

G. Mukharji

PUBLIC ADMINISTRATION AND DEMOCRACY; by ROSCOE C. MARTIN (Ed.), Syracuse, Syracuse University Press, 1965, p. 355.

Paul H. Appleby in his own life time (September 13, 1881 to October 21, 1963), had established himself firmly as a doyen in the field of public administration, both for theoreticians and practitioners in his own country and abroad. He combined in his person the unique experience of a journalist, an administrator, a politician and an academician. He served in various governmental positions at the state and federal levels in the U.S.A., became the Dean of the reputed Maxwell School of Citizenship and Public Affairs, Syracuse University; and was consultant to government agencies, foundations and the United Nations. With all this variety and richness of experience he naturally developed into an elder statesman. In the words of Roscoe Martin, "Paul Appleby

enjoyed a career which for richness in quality and variety in scope has had few equals in American public life".

Appleby was no stranger to India. He served as an adviser to the Government of India on matters of public administration and his two masterly surveys of governmental administration in India in 1953 and 1956 have left indelible stamp on Indian administration. To the Indian Institute of Public Administration in particular he was a friend, philosopher and guide. Indeed the Institute owes its very birth to his recommendation in his 1953 survey of administration in India. He also served at the Institute as a Visiting Professor for a few months.

Appleby's approach to public administration was inductive, empirical and pragmatic, never doctrinaire. Those of us who have had the privilege of personal acquaintance with him, can easily recall how, when requested to comment on some problem of administration, he always drew upon his long, rich and varied experience in politics, government and administration to make or develop a point. Indeed, "A professional coversation with Paul Appleby was a growing, learning experience". One may only add that it was rewarding too. His ability to observe a series of events and relate them to other events and other times and places, in short to learn by analogy, made him a master of vicarious experience.

A few lines on Appleby's views on the science and art of administration should not be out of place here. The central or the core point of his approach to public administration was politics. Politics and administration he found to be reverse sides of the same coin, the two together called government. He, however, distinguished between partisan politics and policy politics, and associated administration with the politics of policy negotiation and accommodation. He had two broad aims in view, *viz.*, a vigorous administration and a democratic government. These two aims are not always complementary; not unoften they may conflict (a la conditions in India to-day). His main effort was to reconcile the two. While a supporter of the "administrative state", he wanted it to be held democratically responsible through political process. He developed at Syracuse a graduate course on Public Administration and Democracy, which has aptly been chosen as the title of this memorial volume—Appleby was not satisfied with the Scientific Management view of administration. To him, the essential element in administration was the people, the public in whom he had great confidence. He was truly a "public" man. In the prevailing controversy on Generalists *Versus* Specialists, Appleby was for generalists. He had a suspicion for specialists as being "parochial". He has been aptly described as "a generalists' generalist".

Appleby's writings will have an abiding place in the literature on public administration. Between 1945 and 1963 he had written "five books, two monographs, some thirty articles published in professional journals, and symposia and a number of book reviews". He wrote in a tight, compact and crisp style, which some felt made for terse and heavy reading. It is true that he wrote in the style of *Sutras* and his sentences needed explanations and commentaries.

It was, therefore, in the fitness of things that fifteen of his friends and

colleagues decided to publish a memorial volume in the honour of such a distinguished, talented and versatile person as Paul H. Appleby. In the words of J. M. Gaus, himself a doyen in the field of public administration, "We of his generation may repay something of our debt to him by seeking to understand him. And we may repay something by helping a new generation of students to become acquainted with him". It is in this spirit that this book has been brought out. The persons chosen to contribute to the volume are distinguished scholars in the fields of political science, economics and public administration who have had the pleasure and privilege of knowing Appleby in person. The volume is edited by Roscoe C. Martin, a distinguished Professor of Political Science at the Maxwell Graduate School, who was closely associated with Appleby for many years.

The book runs over 350 pages and is divided into five sections—"The Field of Public Administration", "The Processes of Public Administration", "Public Administration and the People", "International Public Administration", and "Some Enduring Concerns". It has an introductory chapter by the editor on "P.H. Appleby and His Administrative World" dealing mainly with Appleby as a person, thinker, administrator, academician and writer and the times and the world he lived and worked in. The volume includes two contributions in the name of Appleby himself. The first essay entitled "Reflections on Institutions and Their Ways" has been assembled out of unpublished manuscript left behind by Appleby. The second essay entitled "Public Administration and Democracy" consists of selections from the writings of Appleby on the subject of public administration and democracy. At the end of the volume has been given a classified list of Appleby's writings. In all there are 18 chapters in the volume.

It is difficult to review a book with such wide and variegated a coverage. The aim of the book, however, has been to explain, expound, expand, and comment on Appleby's ideas and concepts. "In a real sense, this book stands as Appleby's final tangible contribution to the science, processes, and art but most of all the philosophy of public administration." The only comments one would like to make are : first, the editor has missed to include in the list of Appleby's writings perhaps one of his last writings —his essay on "Making Over-All Sense" included in *Aspects of Administration*, a memorial volume in honour of Professor V. K. N. Menon, a personal friend of P. H. Appleby, published by Allied Publishers, New Delhi in 1964. A few words about the content of this essay may well be given here. Appleby's main theme in this article is to emphasize "Over-All Sense" or "Cosmopolitanism" as distinct from "parochialism" and "specialism". He cautions us against catering too much to parochial local, communal or special interest and makes a plea for larger and mixed units. In the case of India he finds, "The government has found it necessary to make very important concessions to parochialism, and the danger is that the political structures would sprawl and thus endanger the preservation of Indian unity and effectiveness". He defines his concept of cosmopolitanism as : "A cosmopolitan nation state or more subordinate political subdivision will, first of all, be composed of citizens of diverse ethnic and nationality origins, with geographical and social mobility, with status not

particularly or generally dependent upon inheritance, and with status for individuals generally flexible within any single generation and dependant upon occasion.... Similarly, a cosmopolitan society and jurisdiction will comprise persons engaged in varied functions and concerns, and these pursued in a variety of ways." To achieve such cosmopolitanism he recommends : "larger political jurisdictions", developed political parties particularly a two-party system. "Parties are the best means yet devised for securing majority rule and fixing responsibility.... To this end parties need to be constitutionally and legally recognized." He gives a high place to political experience and, therefore, to politicians. "As citizens we need to appreciate more the importance of political experience ....on the part of those who seek high office....The importance of political experience is clear. It builds generalising abilities, not specialism. And nothing so educates able politicians for participation in making and for society than running for office over and over again.... To do this we need to make politics and politicians more revered. We need also to provide more economic security for politicians. We need to give more attention to the development of really good politicians, and should make more political appointments to important governmental posts."

The second comment to make is that the editor should have done well to include an essay by one of Appleby's friends in India, a country with which he was closely associated and which holds him in high esteem.

The volume is a welcome addition to the literature on public administration and will be read with interest and benefit by all those interested in and connected with government and administration

A. AVASTHI

FISCAL POLICY AND PUBLIC SOCIAL SERVICE; By BYRON T. HIPPLE, New York, University of New York (Graduate School of Public Affairs), 1965, p. 143.

The present monograph is a product of the author's association in 1964 with the New York State Temporary Commission on State Local Fiscal Relations. The monograph contains seven chapters : (1) The Public Social Services—Introduction; (2) The Present Complex—Structure and Magnitude; (3) Search for Synthesis—Problems and Issues of Expanding Social Services; (4) Conditional Aid and Changing Conditions : State Aid for County General Hospitals; (5) Inconsistencies in Policy Among Grant-in-Aid programmes—Fringe Benefits and Related Issues; (6) The Role of State Aid in Achieving Programme Effectiveness; and (7) Consequences and Potentialities—Summary and Conclusions. There are three Appendices.

In all these chapters, the author is mainly concerned with an examination of the extent of commitment of Governmental resources to the public social services and the viability of the fiscal and administrative structure for the optimum utilization on the Federal, State and Local government resources. According to him, "the pattern of distribution of responsibilities for the administration and financing of the public social services is at best a patchwork". This was initially a legacy of the "poor law" philosophy; but the complexities in conditions revealed by or arising out of the growing knowledge

of science and technology is also responsible for the splintered approach; increased consciousness about the remediable nature of poverty, and the growing concern about the responsibilities of the Community and the State to remedy it in all its aspects are equally contributing to a drive for better methods of financing and administration of social services.

After the Second World War, there has been considerable expansion in the social services, but the fiscal and administrative reforms have not kept pace with these expansions. The following statement by the Governor of New York aptly reflects the confusion in the area of public social services.

> "Our present system of welfare service is a patchwork. Laws have been enacted through the years and programmes introduced. As the people of the State have come to recognize the needs of new groups of dependents or have found new devices for meeting old problems. The establishment of each new programme has usually carried with it a new administrative unit or plan of operation. The financing of these services has developed without an overall plans (producing) a bewildering set of inconsistencies."

This situation is probably a common feature in many developing countries, such as India. The Governor's plea for an integration of social services would be supported by many but how it could be achieved is an open question.

At all levels of Government—Federal, State and Local—there is a concern for promoting the well-being of the people, but there are stresses and strains in their means of achieving those objectives within the framework of their respective jurisdictions and responsibilities. We find that the Federal and State Governments often have more resources than Local Authorities and the former are also anxious to assist the latter in achieving desirable objectives. At their respective levels governments have their powers of taxation but these are often supplemented by developing a system of grant-in-aid given by the more affluent governments to the others.

The grants are generally given to focus attention on particular objects and to provide financial resources to accomplish them until the grantee becomes self supporting about fulfilling the objectives from their own resources. The administration of the grants-in-aid system, however, is more suited for a short-range solution to *ad hoc* problems. While it is a useful instrument of Government to lend support, the grants-in-aid could not be regarded as a satisfactory device in respect of the same set of programmes on a long range basis. There should be periodic review and revision of tax sources to suit the changing responsibilities. This aspect needs much greater examination than is done in the Monograph.

The grants-in-aid system is based upon certain considerations, such as percentage contribution or per capita allocation, or a mixture of both or an *ad hoc* decision of the grantor. So far, no satisfactory principle has been evolved about the basis of grants-in-aid or its distribution. No one could overemphasize the need for a study and evolution of certain basic principles and criteria for sanctioning, phasing and cessation of grants-in-aid in respect of each programme.

Generally, grants are followed by conditions about their effective and economic utilization. In interpreting these conditions, a substantial body of regulatory and interpretive material has grown. An analysis of these materials indicates that more often, in the administration of grants-in-aid, consistency from programme to programme has to be sacrificed and responsibilities become diffused. These give rise to bitterness among different recipients of grants. Further, in the words of the author, "Issues narrow down to points of procedure or method, while agreement on principle is erroneously taken for granted. And if points of procedure, method or process are to become the important issues between the grantor and the grantee (as is frequently the result of requirements for 'prior approval' with which so much of grants-in-aid regulation is replete), the question may well be raised as to the values served in retaining the form of local administration if the substance is lacking." The author suggests a periodic review by a Special Commission for achieving harmony between needs and resources and for ironing out some of the difficulties mentioned above. The author favours, as an intermediary step, a coordinating agency of the State Government to review the conduct of administrative relations between the State agencies and Local Governments where substantial grants are involved. No doubt several agencies are at present engaged in such coordination work, but according to Mr. Hipple, "the mutual diffidence of each one of these agencies leaves the needed role unfilled".

In fact, one finds in the monograph many familiar and formidable problems common to many countries but discussed in the Monograph in the context of the conditions prevailing in New York State. The monograph highlights some very crucial problems for study in developing countries where the system of grants-in-aid is greatly relied upon by the higher level governments to initiate, sustain and promote many developmental activities through lower level governmental and non-governmental organizations. The whole problem of grants-in-aid *vis-a-vis* fiscal policies and responsibilities for providing social services by different governments needs close scrutiny.

The author also points to a prominent trend among the Central Governments to assume certain of the functions which have been with the local authorities under the traditional concepts of Local Self Government and the usual pattern of distribution of functions and resources between Central and Local Governments. This centripetal tendency is also evident among the many new States in the developing countries. The main forces that encourage this tendency are : (*i*) ensuring professional standards of high quality and uniformity; (*ii*) overcoming jurisdictional problems; and (*iii*) shifting fiscal burden from the Local to State tax system.

It is hoped that this assumption by the State Government of the functions of some aspects of the social services which were hitherto vested in the Local authorities would lead to simplification of administrative, procedural and fiscal complexities. The tendency, however is not without its dangers and disadvantages. The author rightly fears that there would ensue a "general apathy by reason of disassociation of the local public from concern or contact with the evolving issues of policy and operations". Besides this, the author also observes how "centralization

of services in the sensitive areas of human affairs will pose the risk of substituting rigid absolutes for matters which should remain individualized and flexible". Five questions posed by the author in regard to programme disparities, fiscal readjustments, jurisdictional hurdles, relating the grants to local initiative, and adopting procedures to minimizing controversy over details are of special significance to all students concerned with Central-Local Government relationships. After discussing the many dilemmas posed by the present system, he suggests the following two approaches : (1) Assumption by the State of the full cost of public assistance programmes, the Federal-aided programmes for the aged, blind, disabled and families with dependent children, and the closely-allied State-aided programmes of home relief; and (2) In the remaining fields of the public social services, dealt with in the monograph, the scope of the Local Government's responsibilities should be broadened to include all services coming within the purview of the programme field, whether provided presently by the State or by the Local authorities.

These two approaches may be of significance in U.S.A. and in the State of New York. Even there, the full fiscal implications of these two suggestions need to be worked out in detail. Each country or State has to evolve its own approaches. The monograph is well supported by factual data both in the descriptive part and in the appendices. It is written in a very smooth and convincing language. The monograph has a universal appeal. It is a pioneering study of grants-in-aid in the field of social services with particular reference to Central-Local relationships in a Federal State. The title fiscal policy raises hopes about much broader issues than grants-in-aid and we may look forward for studies into these broader aspects from the author and from the Graduate School in future.

There is need for a radical thinking about fiscal policies and the public social services at all levels of Governmental and Community action. Developments in science and technology have raised expectations about social services from governmental and non-governmental organizations. However, the inherited theory and practice of public administration has led to a pursuit of a fragmentation and confusion in approach in the matter of state provision, public understanding and support of the services. These shortcomings leave their impact on the administrative policies and operations and more particularly in the integration of homogeneous and the coordination of allied services. The monograph provokes constructive thinking on some critical aspects of fiscal policy and the public social services. Nobody could blame the author if he is not in a position to offer ready-made solutions because the problems do not lend themselves to such solutions The problems are likely to persist in view of the assumption by Government of responsibilities for providing social services under the growing impact of Welfare State ideology. These problems are equally present in all countries in one form or another. It is, therefore, appropriate that those engaged in public administration should make a thorough study of the persistent problems—both short-range and long-range—of fiscal policy and the public social services in their respective countries, and in that context, the monograph published bp the Graduate School of Public Affairs is a welcome study.

V. JAGANNADHAM

STUDY IN INDIAN DEMOCRACY; By S. P. AIYER and R. SRINIVASAN (Eds.), Bombay, Allied Publishers, 1965, p. xiii+779, Rs. 40.

An old, tradition-bound, society, such as India, striving for democratic modernization is certain to arouse the curiosity of intellectuals, Indian as well as foreign, about the processes through which it moves towards its goal. Especially because the terrific character of its economic problems, its movement towards democratic modernization brings into prominence new issues and challenges perhaps not faced by those countries where democracy has taken deep roots. This book, as the title indicates, is a collection of essays on various aspects of Indian democracy written by Indian and foreign political scientists, leaders, journalists, and others. It has tried to put together in one volume a good number of articulate pronouncements on the functioning of democracy during its 'inaugural' phase in India. Of the thirty-four essays comprising the book, nearly one-third is written by foreign scholars, British and American, who have observed the working of the Indian political system rather closely. Published in 1965, the book does not include any essay covering political developments after the death of Jawaharlal Nehru. In the present context, therefore, the volume may well be regarded as a book of studies on Indian democracy of the Nehru era.

The book attempts to accomplish a rather difficult task : an omnibus theme, such as Indian democracy, would naturally present any editor with the difficult problem of sorting out from a large bunch of essays written on this subject with obviously disparate purposes and contexts. Without a clear-cut focus or a guideline, such as is the case with this volume, the task of selection becomes all the more complicated. The editors have followed the easy course, and anything that has flowed from important pens, especially non-Indian, has found a place here. That the book has become voluminous is, therefore, understandable.

The essays assorted in this volume have been grouped under four parts. Part one consists of essays giving a general or historical account of the Indian democracy: the impact of western political ideas; liberals and constitutionalism; socialism; secularism; authoritarianism and democratic modernity. Part two consists mainly of essays on political institutions: parliament, cabinet, public service commission, panchayati raj, municipal government, and organic democracy. It also includes some essays which belong to political sociology: caste and community development, urbanization, political stability and economic growth, linguism and regionalism. Part three covers : political parties, public opinion, interest groups and foreign policy. And part four comprises essays making an overall evaluation of the Indian democracy.

Some contributors are well-known names, Indian and foreign : Jayaprakash Narayan, Douglas Ensminger, Michael Brecher, N. D. Palmer, Taya Zinkin, Bernard Brown, Morris Opler, Myron Weiner, Pran Chopra, H. M. Patel, and A. T. Markose.

The purpose of the editors appears to be two-fold : (*i*) to present a galaxy of authoritative writers on Indian democracy; and (*ii*) to cover as many areas of Indian democracy and politics as possible in a single volume. And in both they have succeeded in part at the cost, of

course, of size. Their efforts have, they admit, resulted in "a literary counterpart of Parkinson's law" without a success in presenting "a complete and coherent picture" of India's experience of a democratic political system.

The Introduction, contrary to expectation, does not introduce the essays in the volume; rather it is just another essay. Nor is the readers' expectation fulfilled towards the end: for the conclusion, too, does not provide any summation or resume of the essays assorted or the points of view reflected in them. Instead, the concluding part of the took consists of four reflective essays attempting overall evaluation of the Indian political sytem. Perhaps, the value of the book would have increased if the editors had undertaken such a desirable, though a slightly painstaking, task either in the Introduction or in the Conclusion. This would perhaps have also forced them to make their assortment of essays more systematic.

Despite some important gaps (there is for instance no essay on the Prime Minister or the State Politics, or the Governor, or the judicial system), the book would interest general readers. Perhaps the volume would be found useful especially by youngmen in hurry preparing for examinations; they will find in it a great variety of ideas concerning the Indian democracy.

On the whole, the book would seem to be not without some academic value; it presents in a single volume an assortment of authoritative commentaries on the political development of India during its inaugural phase that was remarkable for the dominance of both a monolithic party and a charismatic leader on the political scene of the country. That it has increased the reader's accessibility to great many such good essays on Indian democracy provides this volume with enough justification for their reprinting.

R. C. PRASAD

SOCIAL WELFARE ORGANISATION; By Dr. V. JAGANNADHAM, New Delhi, The Indian Institute of Public Administration, 1967, p. 149, Rs. 5.00.

The book is the outcome of a study undertaken by Dr. V. Jagannadham at the request of the Social Welfare Division of the Ministry of Education (now Department of Social Welfare), Government of India. It is based on an analysis of the patterns of social welfare administration in the States and the Union territories. The general purpose of the study was to examine the desirability and feasibility of developing a uniform pattern of social service administration in the country. The book is divided into two parts and seven chapters and contains a number of annexures.

The first chapter starts with giving some of the important characteristics of social welfare administration, namely, that the social welfare programmes are tentative, they have grown in a sporadic manner and lack a legislative base. Social welfare organisation has been analysed in terms of different levels, namely, planning and policy making, Secretariat and Directorate, State Social Welfare Advisory Boards, field and organisation for coordination.

Chapter II points out the absence of a special machinery for planning

and policy making for social welfare at the State Government level and has recommended the establishment of a Committee of the Legislature on Social and Social Welfare Services for the purpose. Chapter III deals with the controversial question of the Secretariat—Directorate relationship. The controversy has been examined in detail and an integration of Directorate with the Secretariat has been recommended for several good reasons. Recommendations have also been made regarding the functions of the Department of Social Welfare and its division into seven Bureaux. The author has referred to the different problems of administration of social security and other social welfare programmes. He has made the important recommendation of bringing social assistance schemes under the Department of Social Welfare. The question of relationship of the administration of social security and social welfare needs further examination.

In chapter IV, the author has examined the complex question of relationship between Social Welfare Departments and Social Welfare Advisory Boards and has justified the continuation of the parallel organizations on the ground that there is need and scope for public and private welfare organizations. Chapter V shows that Social Welfare Organization at the local level varies from State to State, and that the relationship between Panchayati Raj institutions and State Department and Directorates of Social Welfare is not clear. The author has recommended that Local Government be treated as the spearhead of welfare activities and that welfare departments be created at the Local Government level in both rural and urban areas. This would require a large cadre of trained social welfare personnel of a lower level for which undergraduate courses in social work should be established and developed.

Chapter VI gives the guidelines for reorganization of social welfare administration. Some of the important recommendations which have not so far been mentioned in this review are as follows: creation of a separate Ministry of Social Welfare at the Centre, creation of the office of the Deputy Prime Minister incharge of Social Affairs, placing of the Central Social Welfare Board on a statutory basis, division of the activities of the Planning Commission into two major groups, namely, economic and social, creation of a National Social Welfare Council consisting of public and private welfare organizations and associations, creation of Social Welfare Councils at the State level and the formation of District and Block Level Mobilization Committees at the local levels. The author has made his recommendations, in the context of the social, economic and political background of the country, keeping the following basic principles in view: (*i*) Social welfare policies and programmes should not be determined either by *ad hoc* considerations or personal predilections but should be the result of mature deliberations leading towards national development; (*ii*) There should be a coherence in organization between the Centre and States; and (*iii*) the functions of the organization at the Union, State and Local Government levels as well as at the corresponding voluntary association levels should be periodically reviewed on rationally determined principles of smoothness in operation and satisfaction in service.

Chapter VII gives a short account of the activities of Social Welfare

partments/Directorates in the ites, their organizational structure d means employed by them for iieving coordination of welfare ›grammes.

The book is an excellent and uable addition to the literature on ial welfare administration in the intry. Various aspects and com-x issues of public welfare adminis-tion have been analysed and exa-ned by the author in a clear and id style. The Government of lia deserve congratulations for inviting Dr. Jagannadham, the fore-most authority in the country on social administration, to undertake the study of the important subject of public welfare organization and give us the benefit of his rich scholar-ship and mature experience. The book will be of immense use to the students and teachers of social work and public administration, and also to the planners, policy-makers and practitioners of social adminis-tration.

SAIYID ZAFAR HASAN

TALKING OF MANAGEMENT; Bombay, Asia Publishing House, 1967, 133, Rs. 12.00.

This book consists of a selection talks given at the Administrative ff College, Hyderabad. The au-›rs (speakers) include top business cutives, a noted administrators 1 a veteran trade unionist.

"*Management Science, Its Future ect on Business*" is the subject the first article, by Thomas Jensen IBM, Bombay who in refreshing guage elaborates the theme, iat operation of business to-rrow will be based increasingly scientific principle". In the second icle, Sir Owain Jenkins (Balmer wrie & Co. Ltd., Calcutta) plea-itly drives home some of the idamentals for *'The Man at the* ›'. Let me quote at some length. says, for example, "From my ›erience I should say that there is thing that I would never over-k in any candidate for high ›motion. I would never promote nan who appeared to me to be re concerned with his status—ether social or in the Company— his pay, than with the correct formance of his job. Status-ngering betrays an underlying akness which causes trouble in end.... There is an equally important function of the man at the top and that is to stop and, if neces-sary, go into reverse. The catalyst must at the times act as an inhibitor and the jockey must pull out of the race.... You have got to be quite heartless in the removal of inefficiency. A wise old man once said to me—"Always sack a wrong 'un, otherwise he will get the sack for you". I use the word 'sack' in general terms. Should I say "transfer and promote"? Perhaps I should say 'remove' (by unspecified means) from direct association with your orga-nization. Of course, much can be done by the more humane method of making the best of what you have got which often can be done by the careful apportionment of work. Many people can handle one subject, when they would be at sea with two, and in a mental home if saddled with three. Watch at this point the umbrage—taking status-monger-ing types that I spoke about earlier as unfit for high promotion. They will often, for prestige reasons, refuse to relinquish jobs for which they are obviously quite unfitted. Be harsh with these. It will be better for both you and them in the long run.... I should like to warn you about

committees and conferences. They are dangerous things for Welshmen and Indians. We are both admirers of eloquence and are prone to leave the meeting with a warm feeling that much has been achieved when all that we have produced is a mass of highly coloured hot air. The fact is that when committees consist of highly paid executives, apart from the dangers of prolixity and failure to take action, there is an appalling element of cost. I think that the professors would realise this more clearly if they ever had to sign the salary cheques... Lastly and finally, don't burrow. You may be professionally qualified. Don't exercise your special knowledge to embarrass the present incumbent. **(You are probably out of date and would make a mess of it anyway.)** If you really feel that the man concerned is not up to his job, replace him not with yourself but with somebody else... Once you begin to find that you can no longer take a dynamic interest in everything that is going on in your organization, you are slipping into the omega minus category and it is time that you began to hand over to whoever you have chosen as your successor for. When making that choice do please remember that the qualities that make a superlative No. 2 are very different from those which make a good No. 1. Not infrequently the best man to succeed you is one that you yourself have found a bit tiresome. He will produce a refreshing change of outlook and a stimulating alteration in policy. The exact time you choose must depend on the calibre of the team behind you, on their age and so on and the process must be gradual. The important thing is that your departure must not be death of Stalin in miniature. Rather, should your juniors say—"We will be all right with Blank in the chair: after all he's been carrying the old Man for years."

In *"The Role of Directing Authority"*, Mr. L. D. Mudie, (Burma-Shell, Bombay) makes Personnel his theme of the talk since 80 per cent of an executive's time is concerned with personnel matters. Mr. N. D. Harris (dealing with the theme *The Job of The Man at the Top*) paints a picture of the whole as affecting the actual man at the top and his handling of duties and responsibilities. He keeps "on a personal note and not text-book one, and shall remember my experience of nearly 31 years in I.C.I. here, seven of which were as Chairman".

Mr. G. H. J. Clarke confines his talk *The Role of The Man at the Top* "to the narrower limits of the part as played by the most senior administrator in one particular organization, namely, The Imperial Tobacco Co.". He particularly emphasizes that "Good relations with the Central and State Governments and with all those in Government service with whom we come in daily contact must also be created and carefully preserved. This point requires close attention by the man at the top for inestimable harm could be done to our business in particular if there should be a lack of confidence and understanding."

All the speakers make a deliberate effort in not going over any part of what is familiar ground for audience, but instead analyse one aspect or another and management which is not often discussed. In the *Indian Executive of Tomorrow*, Mr. P. L. Tandon (Hindustan Lever, Bombay) discusses "the history and future" of the Indian executive in India. He sounds an optimistic note, "If I could project into

the future the image of the Indian executive that I feel will emerge, it is that of an all-India type. His loyalties cut across the family, caste and community, and are attached, instead to his organization, the society and the country. Family business will disappear, at least in the larger units, and will be replaced by corporate entity in which inherited management will have no part to play. Responsibility to the society around the executive will be a new concept of social responsibility—a responsibility for the welfare of both the workers in the organization and members of the community in general. In this, both the executive and his wife will have a part to play because of their position of leadership."

Mr. C. D. Deshmukh bases his talk "*Delegation Control and Accountability*" on his outstanding career in public service for more than 40 years. Mr. Bharat Ram pleads in his talk "*Role of Business in Shaping Government Policy*" for a greater and more purposive dialogue with Government. "It is no good if businessmen like politicians hold 'opinions and impressions'. They have to be reduced to facts and figures, so that the policies of the Government can be dissected in an informed manner and we are able to show what impact a particular policy has on the working of business, and how, if business is affected adversely, it will also affect employment, Government revenues, etc." An unusually delightful piece is one by Mr. P. L. Tandon on *Executive Listening*. He rightly points out that "for a senior executive it is one of the most important aids to good management—and not a very difficult one to achieve because as against talking, in the field of good listening there is much less competition". If dialogue between Government and business is rare, equally rare is the dialogue between the trade-unions and, the business. It becomes, therefore, doubly welcome that the President of Mill Mazdoor Sabha Mr. Bagaram Tulpule takes time off and spells out his thinking on four aspects of *Industrial Relations in India*, namely, Labour Management Consultation, Arbitration *vs.* Adjudication, Tripartite Consultations and Industrial Relations and Future of Trade Unions in India. Contrary to popular thinking, Mr. Tulpule points out "today Labour Legislation is such that an employee has very little protection against being victimized by an employer".

Though it has taken ten long years for the Administrative Staff College to come out with such a book, one can hope that many more books in this series should be coming out in the near future. There is very little literature in the country giving the thinking of practising professionals, and this book meets a long-felt need.

N. H. ATTHREYA

FUNDAMENTALS OF POLITICAL SCIENCE AND ORGANISATION; By GURMUKH NIHAL SINGH, Allahabad, Kitab Mahal, 1966, Rs. 18.

A competent text-book by the doyen of political scientist in India. Sardar Gurmukh Nihal Singh combines in himself the experience of a teacher, Speaker, Minister and Governor, and, therefore, he has been able to study political theory and political organization not only from the theoretical but also from the practical point of view—always an

asset for clarity and real understanding of a subject. Moreover, in writing the book he has kept in mind conditions in India as the background of his writing. Thus in addition to the usual topics, such as sovereignty, law, liberty, executive, legislature and judiciary, he devotes attention to such topics as Panchayati Raj, Planning, etc. Sardar Gurmukh Nihal Singh also takes note of the work and ideas of Indian leaders of thought such as Gandhi, Nehru and Jayaprakash Narayan. His criticism of Jayaprakash Narayan's concept of partyless democracy will illustrate the maturity of his thinking: "It is obviously impractical. Shri Narayan forgets that cooperation between a heterogeneous assortment of able men, without a common programme and policy and without regard to temperamental considerations is utterly impractical".

The fact that Punjabi and Hindi editions of the book have also been published shows Sardar Gurmukh Nihal Singh's concern for making modern knowledge available also in the principal regional languages.

A. APPADORAI

BOOK NOTES

PROBLEMS OF PUBLIC ADMINISTRATION; By D. P. Singh (Ed.), Bombay, Asia Publishing House, 1967, p. 156, Rs. 12.

Paucity of literature in relation to Indian conditions has become a great handicap to those concerned with the study and research of public administration. The present compilation of the lectures delivered at the Institute of Public Administration, Lucknow University, serves to fulfil that void to some extent.

The subjects of lectures range from theoretical discussion as in case of A. N. Jha's "Role of Public Servants in Policy Formulation", B. Mukerjee's "Judical Control over Administration", S. C. Parasher's "Communication", to problems of topical interest as outlined in Asoka Mehta's "India and Planning", and T. N. Singh's "Industrial Growth in India". On the other hand, Govind Narain's "Decision Taking at the Headquarters of the State Government.", G. S. Chooramani's "Objectives and Problems of Panchayati Raj", V. M. Bhide's "Financial Administration", B. L. Chak's "Procedural and Political Handicaps in the Working of the Adminis rative Machine" analyse the existing systems. Radha Krishna's "Public Service Commission : Guardian of Personnel Policy in the State", T. P. Tewary's "Administiative Problems of Planning in U.P.", S. D. Srivastava's "Planning at the State", and D. P. Singh's "U.P. Civil Service (Executive)" deal with the problems at the State Level. The contributors are all seasoned government servants or public men who are specialists in their respective fields.

The significance of the book lies in its focus on State administration because most of the books written so far on Indian administration touch on the Central administration. The Institute of Public Administration, Lucknow University, therefore, deserves compliments for producing this work.

INDIAN ADMINISTRATION: ORGANISATION & WORKING; By Harmandar Singh (Ed.), Jullundur, Books International (India), 1967, p. 139, Rs. 15.

This book consists of 16 papers contributed on various aspects of Indian Administration at the 28th Congress of Indian Political Science Association. Most of these papers deal with administration at the State level, particularly in Bihar, Orissa and Uttar Pradesh.

The subjects of the papers are Minister-Secretary relations in Central Government, administrative reforms, concurrent jurisdiction in education between Centre and States, corruption, Citizen-administrator relationship and a paper in defence of the generalist administrator. Those dealing with state subjects are: District Officer in Bihar, Administrators and Liberty of Citizens in Eastern India, Community Development Administration in Bihar,

Control of Panchayats by Government of Assam, Organization and Working of Secretariat of Orissa, Inter-department Co-ordination for Agricultural Production in U.P., Administrative Set-up of Food and Civil Supplies departments in U.P., and Legislative Control Over State finances.

Most of the papers published on Indian administration in professional Journals are as yet from Civil Servants. This volume is specially welcome all because contributors are either heads of political science departments or research scholars. The get-up of the book could have been a little better.

INTRODUCTION TO PUBLIC ADMINISTRATION; By D. R. Sachdeva and Vidhya Bhushan, New Delhi, S. Chand & Co., 1967, p. 488. Rs. 12.50.

This revised and enlarged volume, (the first edition came in 1961) on Public Administration is no more than a text-book for students of Public Administration of Graduate level.

This 488-page book has been divided into nine parts. First and Second parts are introductory and of general nature. Part third deals with various theories of organization. In Part four the authors have covered under management all such aspects as leadership, policy formulation, decision-making, planning, co-ordination, delegation of authority and supervision. Part five is devoted to personnel administration, *i.e.*, recruitment, training, promotion, etc. of the employees. Part six contains two chapters on Administration and O & M. Under Part seven such topics have been grouped as administrative law, delegated legislation, administrative tribunals, administrative powers and administrative responsibility. The last two chapters are perhaps very important dealing with financial administration and public relations.

As a text-book it can probably be useful to the students, although many better books on public administration by Indian authors are also now available.

SELECTED READINGS ON COMMUNITY DEVELOPMENT; By T. P. S. Chawdhari (Ed.), Hyderabad, National Institute of Community Development, 1967, p. 100, Rs. 10.

This is one of a series of books that the National Institute of Community Development has planned to bring out on Community Development. This 100-page book consists of just five chapters.

The First Chapter "Community Development as a Means of Organized Social Change", contributed by R. Dwarakinath, Director of Extension with the University of Agricultural Sciences, Bangalore serves to provide the general introductory theoretical framework. The Second Chapter, "Communication Pattern in the Spread of Agricultural Practices", presented by W. B. Rahudkar, Agricultural Information Officer in the Directorate of Agriculture, Maharashtra, Poona, provides an elementary analytical model in communication of agricultural ifnormation in a block setting and should serve to stimulate more intensive studies in this direction. In the Third Chapter, *viz.*, "Psychological Correlates and Adoption of Innovations",

S. Chattopadhyay, a Faculty Member with the Small Industries Extension Training Institute, Hyderabad, has tried to pioneer a study in values held by farmers in Delhi as they bear on the adoption of new ideas in four Indian villages. In the Fourth Chapter "Status Inconsistency and Innovations in Four Indian Villages" Lalit K. Sen, an Associate Director in this Institute, presents the picture of caste in its dual role as a pace setter and sanskritiser in the modernization process which is going on in the Indian rural community. In the Concluding Chapter, *viz.*, "Adoption of Agricultural Practices in a Peasant Community in Orissa", N. Patnaik, Joint Director in Cultural Anthropology in this Institute, looks at the adoption process in agriculture with the eyes of a cultural anthropologist.

Though the book has been printed neatly the price of Rs. 10 for a book of readings seems to be rather high.

RECENT OFFICIAL PUBLICATIONS OF IMPORTANCE

GOVERNMENT OF INDIA

ADMINISTRATIVE REFORMS COMMISSION, Report on Finance, Accounts and Audit, 1968.

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POLITICAL AND PERMANENT EXECUTIVES*

M. Channa Reddy

EDUCATION is an important determinant in the rate of economic growth of any society. The Economists of Growth give crucial importance to the pool and flow of knowledge—and its applications to economic ends in the development of an economy. For example, out of the six "propensities" listed by Rostow was determining the advance of any society, the first three are relatable to education. A course** of this type is indicative of our growing appreciation of the importance of these propensities. It helps impart very useful knowledge in latest advances in techniques of development administration to a very vital category of people. Our people are comparable to the best anywhere in the world but what they lack is tools at their disposal—tools of analysis and of operation. Such a capsule course for a cross-section of civil servants serves to open a window on the enchanting world of new knowledge. For civil servants of the seniority gathered here this course is in the nature of a refresher course. It gives you a welcome pause for reflection in what may be called a "hand-to-mouth" existence in a rushed life. Such a break provides useful opportunity for retrospection, introspection and prospection. In a fast-changing world, the knowledge which you acquired in the universities more than a decade ago, would have, by now, become outdated. This course will, I hope, dust up your minds and save them from the onset of rust and your intellectual batteries will be charged for a further lease of hard work. The importance of such a break has been recognized all over the world in all professions. In America they have the 'sabbatical' year even in universities when teachers are forced to break their routine of teaching and do some research work so that they can retain their freshness of outlook. This not only serves to instruct the minds of the persons concerned but also adds, in consequence, to the body

* Text of an address delivered at the concluding session of the Course in Development Administration of the Indian School of Public Administration on 3rd March, 1968.
**The Course in Development Administration at I.I.P.A., March 1968.

of knowledge on any given subject. In bureaucracy, seniority is the best of all virtues and it is part of the occupational pathology of bureaucrats to boast about the length of their services. It is now believed in all forward-looking administrations that when officials begin to boast about the length of their experience and show pride in never having taken holiday, it is about time that they were given a compulsory break and asked to do something different from the activity to which their minds have been used for so many years. It is essential for people engaged in important work to occasionally get away from their work if only to reflect upon the worthwhileness of their endeavours and to see how these endeavours harmonize with the overall objectives which, in varying measures, they are called upon to fulfil.

The present course is designed to sharpen your tools of analysis and to acquaint you with the latest techniques employed in advanced countries in evaluating the objective merits of any project. In this connection, one recalls the considerable criticism levelled against the public sector in India regarding its performance. While some of this criticism can be dismissed as prejudiced and misplaced, there is indeed some truth in some of the counts of indictment. By and large, it can be said that we are not getting the expected returns from most undertakings in the public sector. In some cases this can be attributed to locational handicaps. It is often said that the selection of projects and their siting should have been preceded by a more rigorous analysis of the economics of the project. In most cases, however, it is their day-to-day working which is responsible for poor results. The working can certainly be improved if the executives show a greater degree of cost-consciousness than what obtains at present. The tendency has been not to use the autonomy of the undertakings as a means to an end but as an end in itself. I would vote for full autonomy for public undertakings but at the same time I would insist on laying down for them unambiguous economic and financial criteria which they must fulfil. There is a practice in some countries, including Britain, to lay down economic and financial prescriptions for public undertakings and to give them the maximum autonomy to enable them to fulfil them. Autonomy has justification only if it is related to responsibility. We must take all steps to knock off the 'flabbiness' in our undertakings and put them in trim shape. It is important because ultimately they must be in a position to compete not amongst comparable units within the country but also in other parts of the world. For example, Hindustan Steel Ltd. has not only to be 'efficient *vis-a-vis* Tata Iron and Steel Co. or Indian Iron and Steel Co. but more so with reference to Japanese Steel Mills from whom

we face serious competition in emerging world markets. Today we must seek economy and efficiency not only with reference to national norms but also international standards.

I think in view of the nature of the tasks particularly before the public sector, there is need for more and more prospective managers to acquire skills of decision-making required for running complex organizations. While the course will no doubt help you in this regard, I can imagine some of you throwing up your hands in the middle of the course and saying: "Well, that is all very good but I wish this knowledge could be applied in real life. Decisions ultimately will be taken on 'political considerations' and not on the basis of their objective merits which these techniques help us to appraise." I do not believe that facts of the situation call for such a cynical comment. No doubt "political considerations" cannot be ignored and they form a part and parcel of the overall merit of any decision. "Political consideration" is nothing but the concern to see where the shoe may pinch and the human implication of such a pinch. Your course includes lectures and discussions on the latest techniques of decision-making. I wish its scope were enlarged to include one or more lectures on the mechanics and implications of what is ridiculed as a "political decision". A decision-making technique which does not take into account this, is to that extent, inadequate. After all, all decisions are directed at achieving the good of human beings. If that is so, we must be able to identify what is that 'good'. Modern techniques of decision-making in management have tried to reduce the process of decision-making into quantitative components. You have, for example, starting from the simple 'rate of return' consideration to 'discounted cash-flows', 'Linear and Simplex Programming', 'Monte Carlo' techniques and 'Game Theory', etc. These are good insofar as they go but they do not grasp in entirety the features of the type of decisions taken in Government. I said a little way back that a decision has to be related to public good. I must hasten to add that it has also to be related to the capacity of the public to appreciate what is good and what measures of goodness they will accept at any given time. In other words, you cannot, at one go, legislate people out of evil and into goodness. Our experience with prohibition and similar schemes has shown us that there is a pace beyond which people shall not walk and shrewd political leadership will always take that pace into consideration while devising its programme and pace of action. I think it was Sir William Harcourt who once told his permanent Under Secretary: "I am here to tell you what the public shall not stand". This sums up very succinctly the negative side of the role of a politician. There is also a positive aspect of his role and that consists of telling the civil servant

what the public wants—how much and at what cost. It is this area between "what the public wants" and "what it shall not stand" that is demarcated by a politician and is then entrusted to civil servants as his sanction and frame of reference. In its ultimate features, therefore, all decisions have to be political decisions or at least subjected to political considerations. In the nature of things, civil servant tends to defy rules and regulations and worship the cult of file, forgetting that a file contains a human case and rules and regulations are intended to achieve a given social objective and not to frustrate any goals. I hope, when I say this, being a politician, I shall not be misunderstood as decrying the 'narrow' outlook of civil servants. Such an outlook has its own validity and has a rightful role to play in decision-making. However, there is another body of people who by their instinct and training are able to see what the civil servant is prone to overlook and that is the overall, ultimate, human or, if you will, "political" implications of a decision.

What I am trying to underscore is that we must accept the legitimacy of political considerations in any decision-making. It should, of course, be understood that political considerations should not be equated with expediency or considerations of party good or nepotism and the like. To drive home this point I am tempted to go into the fundamental concepts of politics, democracy and government. Before a gathering of this nature, I need not trace the history of the origin of State—how it came into being and what is the purpose it seeks to subserve and so on. We all agree with Aristotle when he said that the State comes into being to make life possible and it continues in existence to make it better. I will also take it for granted that we believe that this pursuit of betterment is more possible in a democracy than in any other form of Government. Democracy, as everyone knows, means the rule of the people, but as Rousseau once said, "by themselves the people want their good; however, by themselves they do not know where it lies or how to achieve it". This paradox is resolved by a hierarchical process of abstraction and by devising a mechanism by which, by stages, we come to grapple with details. These three stages or levels have been called the "electoral process", the "legislative process" and the "administrative process" respectively. By the first, *i.e.*, the electoral process, the vast, vague, undefined "will of the people" is crystalized and comes to be reflected through a handful of people who are elected by the people on the basis of their programmes or manifestos. These persons reflect at a first level of abstraction the diversity and multiplicity of views of the people whom they represent. This body of representatives itself is still too big to deal with details and it, there-

fore, enacts into legislation various measures through which, on the basis of the sanction of the people, it believes the public good can be achieved. This is the second stage and may be called the "legislative process". The last level of abstraction is what may be called the "administrative process". This is the stage at which decisions having been taken at political level, are handed over to bureaucracy to be translated into institutional terms. You will see that each stage leads us to a greater degree of abstraction, articulation, specificity and detail. To borrow a term from Cybernetics, between each stage and the next, there is a cyclical feed-back so that a sort of dynamic equilibrium is achieved and maintained. I hope, I have been able to show through the foregoing that there is nothing extraneous about what is often derisively called a "political decision". Hence the supremacy of the political decision-maker in any form of Government. Even in Plato's ideal State though the law was supreme, in the ultimate analysis, discretion of the ruler transcended it. A system in which political considerations are completely shut out from the process of decision-making is not a human society but a machine.

I do not know whether you will consider the concept of regional development as falling within the realm of a political decision or an economic decision. For example, it may be more "economical" to locate a particular project in a particular area. However, this may be an area which has a historical advantage of momentum of prior industrial development and may, therefore, lead to excessive development of one region at the cost of another. In such circumstances it would be wise to locate this project in an area which is under-developed, even at higher monetary cost. We can then say that the equivalent of this extra expenditure is what the community is willing to pay for a balanced development. You will find this consideration coming up again and again almost in case of every project. In whatever little industrial development took place before Independence, this concept of a balanced growth of various regions was not kept in view. You find that today the United Nations is confronted with this problem on a global basis and we are told that it is trying to redress this imbalance between continents and continents and between countries and countries. That is why we have today UNCTAD II holding its momentous session in Delhi. You will find the same problem between state and state in the country and between one district and another in every state. It is, therefore, important that we give due weightage to these considerations and think of the development of the country as a whole and not in terms of pockets here and there. Today when there is an emergence of divisive tendencies in the country we can certainly unleash some forces to counter them

by thinking of the country as a whole and not in terms of districts, regions and even states. This will mean greater development of regions hitherto ignored and going slow with those areas which are comparatively better off.

I embarked upon this discursion just in order to play down the dichotomy between the politician and the civil servant and to underline the complementary character of their roles. It is time we demolished the popular, rather vulgar, notion which puts politicians and bureaucrats in different, even hostile categories who live, think and function in absolutely water-tight compartments and who, willy-nilly, co-exist because they have to suffer each other. This conception of their bellicose separateness seems to have originated during the struggle for freedom when the British-Indian bureaucracy was under instructions from an alien Government to crush a national movement led by politicians. Over the years this feeling has, no doubt, diminished considerably but still there is a feeling of separateness of identity which deserves to be played down. In a welfare state a degree of commitment to national goals is called forth not only from politicians but also from civil servants. A welfare state cannot be willed into being merely by enacting a Constitution which enshrines pious inspirations to that effect; it has to be structured bit by bit, step by step, by concerted action directed at translating ideals of a welfare state into tangible terms. This is the task of bureaucracy, and when I use this word I would like you to ignore the overtones of contempt which this term has come to acquire, particularly when it is uttered by a practising politician. Emerson once said that the difference between an ordinary person and a great man is that whereas an ordinary man sees a patch of land, a great man imagines the number of houses that can be built upon it. It is this 'vision' which characterizes or should characterize a real political leader. On the other hand, it is the ability to plan and construct the houses which is the hallmark of a civil servant. It was the vision of a Nehru which hundreds of lesser mortals are still struggling to realize.

In our political-administrative frame-work, though the politician enjoys apparent hegemony, the position of the civil servant is like the keystone in an arch. By his education, training and tradition, he is equipped with a type of competence which must supplement the "flair" of the politician. It is the job of a competent civil servant not only to keep himself abreast of the latest developments and thinking on the subject which he happens to deal with, but also to constantly educate his political masters. This is not an easy job because no body likes to be taught—certainly not at the age when a politician comes to hold important public office. This has, therefore, to be done

very cautiously and tactfully. Even if nothing seems to register in the beginning, there is no doubt that given perseverance, even in the most impervious of minds, new ideas do sink in. It is, therefore, important that the civil servant not only keeps on refurbishing his own intellectual equipment but also takes pains to see that the intellectual and emotional gears of his Minister mesh with his own. Only with such an outlook you can expect to establish a live and virile relationship with him—and that alone will ensure the emergence of a sound policy and its proper implementation. If you do not share the knowledge that you acquire here with your Ministers, you will not only be not getting full value for your money but might also, in consequence, be frustrated in whatever field you will try to make use of your new knowledge. Incidentally, I find that the majority of the participants in this course belong to the Indian Administrative Service. The motto of this service, I understand, is "Yoga Karmasu Koshlam". This is part of a shloka from the Second Chapter of the Gita which is devoted to the exposition of the philosophy of Karmayoga and Nishkama Karma. It exhorts us to do our best without bothering about results. I do not see why such an excellent motto should be appropriated by any particular service. This deserves to be kept constantly in view by all public servants. It is with this motto in mind that you should try to educate all those around and above you who contribute to formulation of high policy and making of crucial, long-range decisions. Go on badgering at their heads without feeling frustrated or getting disheartened and I assure you that sooner or later you will find a response which will make your work rewarding in every way. There is wisdom in the old proverb which says that knowledge is the only wealth which increases by its expenditure or sharing.

I see that you are a group of administrators and technicians. There is a long history of friction and jealousy between the two and considerable debate has taken place regarding the relative status of the two. Based on the British practice, we have kept the generalist administrator on top and the technician on tap. There have been frequent demands for reversal of this role and for giving what is called by some partisans "overdue recognition" to the technician. While in any system of human decision-making the role of a technician will necessarily have to be subordinated to that of the final human decision maker, it is being increasingly realized all over the world that something better than amateurishness is required on the part of top-manager, be it in business or in Government. While there is no doubt that a person who is not committed to a particular mode of thinking and who has the benefit of having seen a number of departments or organizations has a freshness of outlook, it is also true that he sometimes

lacks the ability to comprehend the implications of specialized activities and to appreciate the view of the specialist and the technician. In the world of today where every morning paper heralds a new technological break-through in some field or the other, it is important that the generalist-administrators and civil servants are shocked out of their rule-of-the-thumb, trial-and-error and "hunchy" methods and are exposed to new developments and acquainted with techniques which the technicians and specialists employ to process data and to formulate their views. However, whatever the degree of mechanization and computerization, the importance of the role of human manager will not be diminished. If anything, it will only increase because the computer is, all said and done, an idiot. It does what you tell it to do. It processes the data but it cannot integrate its data into the objectives for which the data has been collected. That crowning job has to be done by a human being and the better trained a human being is, the better the chances of success of our system. The future belongs not to a mere 'bureaucrat' but something akin to a technocrat.

The world is agog today with new ideas. There are no barriers on the traffic of these ideas. No national boundaries, no custom duties can keep them circumscribed. It is for us to take a dip in this great pool and flow of ideas. As a nation we have the handicap of atleast a century to make up to reach a stage of general development of the advanced countries. The magnitude of the task will exasperate many; I hope it will also rouse a few. The history of mankind is a series of challenges and responses. Today we are faced with a mighty challenge; our success will depend upon the type of response we are able to generate—and this response will have to be on a collective basis in which all of us—the politician, the civil servant, the technologist—will have to play a part. I hope you will not only acquire new skills but also derive some new inspiration from the present course and return to your work with dedication to your objectives, with faith and conviction in your endeavours, with hope and optimism about the future. Otherwise all the big plans, all the work being done in UNCTAD II, will be frustrated even before implementation. Public service is a noble profession and it is our great good fortune, that we have been called upon to perform it at such a crucial period in our history. In our allotted station each of us can all do a lot so that when the time comes for us to quit the stage, we do so with the satisfaction that we left it better than we found it. I hope this course will not only sharpen your tools of analysis and of operation but will also imbue you with some idealism.

I would like to end by thanking you once again and by wishing you the best in whichever jobs you go to, after finishing this course.

Given your profession and mine, I can hope to run into you some time or the other but even if we do not meet, let us remember that we are all members of a team working for a common end—the good of this great country and the millions who inhabit it.

OF JOBS AND MEN*

O. Glenn Stahl

THE degree to which the work assignment should be the focus or foundation for a personnel system is an issue attracting more and more attention among modern governments.

While the United Kingdom is going through an agonizing re-appraisal of a civil service founded on the classical model of broad categories geared to levels in the educational system, the United States Congress is re-examining the efficacy of the several classification systems in the American civil service. India, meanwhile, operating with policies and practices largely inherited from the British, is raising fundamental questions about their long-range utility. Many of the smaller developing countries make starts in one direction or another, wondering what the bedrock for their system should be.

The discussion invariably centers on the relative merits of building a personnel system around one or more corps of career workers or around each successive job assignment of such workers—hence, the frequently-used contrasting terms: "rank-in-man" and "rank-in-job". The key difference between these two concepts of assigning, rewarding, and motivating career civil servants does not lie in how they are selected, in their training, or in the adequacy of their compensation, *per se*. Essentially it lies in *the role played by the current assignment*, the work to be performed at any given time.

Rank-in-man is ordinarily said to prevail when the individual is a member of a corps which has explicit rules under which: (*a*) assignment, promotion, and career prospects are determined; (*b*) appropriate pay ranges and rates are set; (*c*) performance is gauged; (*d*) prestige is established; and (*e*) the person's special skills are utilized.

Any one current assignment, or "job", usually has little to do with all but the last purpose—and then usually in only a superficial manner. Actually it would be more accurate to call this the "rank-in-corps"

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*Adapted from an address delivered at the Conference on Personnel Administration sponsored by the Indian Institute of Public Administration, New Delhi, on March 7, 1968.

concept, for the rank of the man derives from the corps, not from himself. Hence, I shall use that term.

Under rank-in-job the current assignment at any one time is the most critical factor in determining: (*a*) assignment, promotion, and career prospects; (*b*) appropriate pay ranges and rates; (*c*) performance norms; (*d*) prestige sources; and (*e*) the matching of skills needed with skills possessed.

Thus, focus on the job of the moment is all important—but this fact is also the source of much misunderstanding and ill-founded criticism of the rank-in-job approach.

In the United States the two concepts appear in practice in varying blends. Traditionally, rank-in-corps was thought necessary where mobility, a service-wide attitude, and tenure beyond a single job were deemed important. But the world of technology and the unrelenting forces of specialization made heavy inroads on the practice if not on the theory.

Hence, we find:

(1) Increased reliance on job analysis (a cardinal feature of rank-in-job) to determine placement of members under corps systems;

(2) Mid-career training, under both systems, as a prime source of inducing loyalties beyond a single job or programme; and

(3) In rank-in-job systems—increased salary flexibility, recognition of individual contributions, more features of tenure beyond the job, and more care to avoid over-refinement of duties classifications.

The net effect in the United States has been an expansion of rank-in-job features for the great masses of employment—public and private—but also a continuation (or occasional reincarnation) of certain corps features in top strata of organizations, such as executive levels. But more about this final point later.

Earlier debate on the subject almost invariably suggested a preoccupation with the different bases for *pay* under the two systems. But the degree of blending that continues to take place, as well as a more careful analysis of factors, suggests that the most important

distinction between the approaches rests on *the impact each has on members working under the system*—that is, their motivation, their loyalties, their aspirations, and consequently their performance.

Although little objective data are available and this author has no special insights other than those afforded by long observation, exposure, and experience, it is the thesis of this paper that *rank-in-job is the system generally more conducive to maximum performance and rank-in-corps is the one more conducive to protection and in-breeding.*

Before getting to the heart of the argument let us assume some common features in all progressive administrative systems:

(1) The presence of adequate in-service training and career development of workers;

(2) The filling of higher echelon positions largely from among candidates within the organization (a total government or whatever other broad entity is involved); and

(3) A sufficient measure of discipline and dedication of members to insure productivity.

To achieve such ends, any plan must embrace: (*a*) knowing what works is to be done; (*b*) acquiring and utilizing the best talent to do it; and (*c*) developing and rewarding that talent to induce its co-operation.

Which approach, in practice, is most effective in applying these obviously essential techniques? That is the nub of the question.

One—rank-in-corps—places its faith in cadres or categories, that is, hierarchies of *people* as the axle of the personnel system, around which all else revolves—recruiting, promotion, pay and tenure. There may be one or more such hierarchies, some general, some specialized—but usually (as in military and similar systems) with a relatively exclusive hold (often equivalent to the point of "property rights") on a battery of specified posts. Note that these are vertical systems, usually with a particular mode of junior-level entry and virtually closed to entry above that level.

The other—rank-in-job—is just what its name implies, a hierarchy of *occupations, fields, or jobs*. It invariably requires some form of position classification based on duties—a method of organizing

work assignments for the management of personnel affairs, a process which calls for job analysis and evaluation. But perhaps its most important distinguishing characteristic is *not* simply that recruitment, promotion. pay, and tenure are geared to this job structure or hierarchy—but that there is a much freer and looser process by which persons get into and climb within the system.

In short, for the price of reliance on a sophisticated scheme of job information and analysis, rank-in-job usually is free of any earmarks of exclusiveness or corps features. The center of the system's attention is simply: the *demands* of the job—the duties, the responsibilities, the skills needed to perform the work. And any of a variety of methods-initial recruitment, promotion, lateral entry in mid-career, etc.—are commonly used to fulfil these demands.

If the fact of hybrids and blends of systems has not already demonstrated the point, it is important to lay to rest here some common mis-conceptions about rank-in-job and the position classification structures upon which it is based. Critics of this approach (or protagonists of rank-in-corps) have alleged:

(1) That rank-in-corps is necessary for mobility—but mobility *can be* specifically facilitated under a rank-in-job system through judicious use of rewards (high premium on service in certain posts as credit towards competitive promotion to others);

(2) That rank-in-corps is necessary for allegiance to a total service rather than to a specific job or unit—but this is not so with induced mobility and credit for such in-promotion from job to job;

(3) That classification systems to implement a rank-in-job plan require too much detail and refinement—a charge true in many cases, but many systems have been simplified with: (*a*) broader categorization of occupations and levels, (*b*) simpler job descriptions, and (*c*) wider training of employees and supervisors in their roles;

(4) That pay flexibility is greater under rank-in-corps—this is clearly not so; pay can be rigid or flexible under either system; and

(5) That rank-in-corps can better attract promising people for careers: (*a*) but careers are equally possible under rank-in-job; (*b*) while rank-in-corps typically overemphasizes promotability and underemphasizes the current job.

We now come to a significant point that, in my judgment, demonstrates the superiority of rank-in-job for most work situations. The point is found on a simple premise: that *the best, the most durable, the most energizing motivation comes from the work itself.* In other words, the nature and challenge of work is something which: (*a*) attracts conscientious people, (*b*) excites their continuing interest, and (*c*) keeps them plugging away at the job.

This I have called, in other places, "work-centered motivation". It is supported by a variety of attitude surveys, analyses of student interests, and studies of occupational choice too numerous to cite here. For example, among scientists, engineers, and other professionals the kind of work to be done and its significance or utility usually outrank pay as a motivating factor. Finding cheaper fertilizers for a developing country attracts higher quality chemical engineers than contriving a new detergent for a soap manufacturer. Better quality students stress kind of work as their prime interest, while lower-achieving students put salary and rewards first. The more advanced or technical the occupational field, the more likely this appears to be true.

Such are the trends from an impressive number of vocational interest studies—not without exception, of course, but substantial enough to support the generalization. The most dramatic example has been supplied by the Peace Corps to which many have been attracted through the desire to use one's skills in significant human service but without emphasis on rewards.

Getting back to our subject of the moment, my thesis is this: applying the principle of work-centered motivation (which, I submit, should be cultivated even where it seems not to be present), a rank-in-job system offers much more hope of capitalizing upon the motivation that derives from work than does a rank-in-corps system. Indeed, I fear that *many rank-in-corps plans divert attention away from the job and substitute corps welfare for performance as the goal.* Let me elucidate.

When an individual's attitude toward a particular assignment from the outset is that this will be a transitory matter, when he is certain that at the expiration of either a fixed or an approximately-fixed period he will be transferred out of it, he does not "warm up" to the specific challenges of the assignment in the same fashion that he does when accepting an assignment under the rank-in-job concept.

In the latter case he cannot be too sure what will happen to him next. (This is not to say, of course, that he should not be advised of

potential "job ladders", prospects for other assignments, etc., if he performs well.) Consequently, he feels that his performance here and now on this particular job is by all odds the most critical factor relating to his future; it is not susceptible of being modified or adulterated by a definite prospect of its termination or by balancing it out with successes and failures in past or future assignments. Today's performance is a "make or break" critical factor.

Furthermore, if the employee genuinely is attracted to and likes a particular assignment, his motivation is held high because he has every expectation that he can: (*a*) stay on it indefinitely, and/or (*b*) even develop *in* the job, with the result that promotion (through reclassification) could come from the same assignment.

In short, advancement and success—and, therefore, motivation and interest—derive more specifically from a current assignment under the rank-in-job approach than from the rank-in-corps approach.

Finally, rank-in-job takes greater advantage of the world of specialization. As technological and human needs continue to advance and get more complicated, specialization becomes all the more necessary. Rank-in-corps systems actually reflect the culture of a rapidly disappearing world—one in which things administrative and many things professional could be accomplished by the "generalist". Important as some features of generalism are, we cannot escape the need to capitalize on specialization. Furthermore, genuine needs for a generalist attitude can be achieved by adequate doses of: (*a*) training, and (*b*) planned mobility.

An individual does not have to be kept on a specific assignment for life in order to take advantage of his interest and aptitudes for a particular specialization, although there will always be many instances where (because of the *degree* of specialization) such narrow career confines will be unavoidable. Nevertheless, within broad occupational boundaries, sufficient lateral and vertical movement *can* be generated under a rank-in-job system and still avoid the "lack-of-attachment-to-job" shortcoming of the rank-in-corps system.

There are some additional reservations about rank-in-corps. In United States experience, some of the following problems with such systems have been encountered:

(1) An attitude tends to be built up among members that "promotion" is inevitable;

(2) The counter-balancing feature (in theory) of "selection out" (or "up or out") either: (*a*) results in a declining use of the selection-out procedure, or (*b*) the forcing out of persons completely able to perform effectively at a certain level but unable to compete successfully with their colleagues for further advancement upward (a wasteful sloughing off of qualified manpower);

(3) Promotions in rank become so far out of correlation with duties assigned that there are either: (*a*) too few persons of adequate rank to assign to principal posts, or (*b*) too many persons promoted to the highest ranks, with the result that many of them have to be used on assignments far beneath their skills, which is: (*i*) a wasteful utilization of manpower, (*ii*) demoralizing, and (*iii*) conducive to misconceptions about the value to the service of the duties being performed;

(4) Planning for future recruitment becomes unrealistic, because so little of it relates to a careful analysis of the numbers of assignments needed, categorized by skill requirements; and

(5) Imbalances in specialization frequently occur because of the effort to contort administrative needs into the pattern of a generalist category or pre-determined specialist categories that no longer serve those needs.

In brief, it has been my observation that under rank-in-corps an individual is tempted to (and frequently actually does) ask himself "*how will that next job assignment contribute to my career*?" Whereas under rank-in-job he is more likely to ask: "*how will my talents and interests contribute to that next job up the line in comparison with other candidates*?" The focus on the job and the periodic re-competition combine to make the work itself the central theme.

However, this thesis may have to be modified because of exceptions or contradictory phenomena under each system, I would contend that the prevailing tendencies are strongly in the directions I have outlined.

There is a further side issue growing out of the rank-in-corps dependence on generalized performance evaluations. Because of emphasis on the corps instead of the job of the moment such systems must rely heavily on periodic panel or committee reviews of appraisal reports (generally about personal characteristics) in order to provide a merit basis for determining promotion to the next rank.

But this is much easier said than done. The evaluation of individual performance is still at best a very difficult and sensitive process. Efforts to standardize it and make it objective have almost consistently languished. No "rating" system in any enterprise seems to last for more than a few years without need for major overhaul.

Employees and managers find it difficult: (*a*) to summarize all aspects of an individual's performance at a given time; and (*b*) to face up to a generalized personal confrontation on performance, as distinguished from the easier process of calling attention to superior or inferior performance as each specific occasion requires.

Because of the necessary reliance on generalized appraisals, the success of a rank-in-crops system is heavily dependent upon the success of overall evaluation processes. In the last analysis these must be not only highly subjective but rationalized ultimately by bringing to bear the judgments of a group of people on the several *recorded* evaluations on an individual that have been made by different persons (ordinarily not present).

The consequence may be obvious. The sheer weight of doing this objectively—with actual supervisors of the individuals under scrutiny seldom participating directly—is a tendency to resort to more and more dependence on seniority as a major factor governing advancement. It has been this author's observation that *rank-in-corps systems are the most seniority-ridden of any kind of career system.*

Obviously I reject seniority as a sound criterion for advancement. It not only does not necessarily comport with merit in a positive sense, when it becomes the "crutch" of a system it is one of the surest guarantees of deterioration of a civil service. When such a measure takes over from such factors as "creativity", "demonstrated success", and "drive", a public service is on its way to decadence and the worst features of an entrenched, uninspired bureaucracy.

It does not take much discernment to see that essentially I am contending that a corps system tends to look inward, to become more preoccupied with the corps as such than with the work to be done. But to avoid this condition, or still other evils, when turning to the rank-in-job alternative, places some pretty awesome obligations on a rank-in-job system. Furthermore, we do not have to eschew every feature of rank-in-corps whenever there is good reason to believe that particular aspects would be useful in certain circumstances.

First, as for the necessary characteristics of a sound position-oriented approach, a few principles are worth stressing. Whatever

may exist in practice in some places, rank-in-job would appear to be most practical when the position classification scheme in pursuance of such a career system entails the following features:

(1) Some adequate provision for definition and evaluation of individual position assignments;

(2) Recognition of the *evolution* of jobs and provision for continuing evaluation to take this into account;

(3) Recognition of "the impact of the man"—the result of the particular qualities, skills, and aptitudes of an individual on a job which make the job different from when it is performed by another individual;

(4) Heavy involvement of general management in the position evaluation process by: (*a*) seeing that duties are definitive and clear, (*b*) avoiding overlapping in delegations and assignments, (*c*) getting involved in job evaluation itself, and (*d*) getting especially involved in setting the criteria or standards by which jobs in a given occupational field are to be evaluated or graded; and

(5) The outlines of a classification plan and the breadth or size of position classes that are sufficiently refined to permit sensible classification but not so over-refined that too much energy is expended in spinning out useless distinctions, either as to level or as to occupational demarcation. (The trend in recent years in the principal United States Government classification system has been to *combine* many of what heretofore have been identified as separate occupational categories.)

Without such characteristics a rank-in-job system had better be left alone.

Finally, there is the possibility at executive levels of employing some features of rank-in-corps. Because there are serious disadvantages to constitution of a vertical corps, general or specialized, with entry at restricted levels and an exclusive hold on specified posts, does not mean that some features normally associated with rank-in-corps might not be useful for limited purposes.

The advantages of pay retention regardless of current assignment, tenure beyond the specific assignment, and emphasis on service-wide attitudes (all usually associated with rank-in-corps systems) are more

appropriate in the upper levels than they are for a vertical segment of a service. Furthermore, this approach is more democratic. Instead of a particular area of activity, such as administrative work, being preserved for a group of persons with special career preparation and aspirations, advancement into higher ranks of a system that has rank-in-job characteristics comes from any source in the service where people can meet the rigorous qualification requirements.

This is undoubtedly what the second Hoover Commission of 1955 had in mind with its recommendation for a Senior Civil Service in the United States. In essence, what this and related proposals have sought to do was to borrow the following practices from rank-in-corps: (*a*) a high premium on mobility, (*b*) retention for career duration of the highest grade achieved, regardless of the grade called for by any subsequent end-of-career assignments, and (*c*) tenure for each executive vested in the service as a whole, without dependence on the duration or durability of a particular assignment. To adopt or adapt such devices at the apex of executive careers does no particular violence to rank-in-job principles. This is quite different from the concept of a full-fledged corps, carving out a vertical sector of the civil service for the exclusive domain of the corps members and with advancement based on progress in the corps.

Indeed, one may view the Senior Civil Service idea as a special culmination of rank-in-job, since entry could be from any of a number of occupational ladders and from any branch of the civil service—looking upon the classification of senior career executive positions in terms of broader bands and time-cycles than may be typical at lower, more specialized levels. Some aspects of this objective—particularly the mobility features and the ingredients of a central placement operation—are implicit in the Executive Assignment System put into effect in the United States Government by executive order in November 1967.

In conclusion, a rank-in-job system, fortified with sound position classification based on job analysis and the continuous matching of the best available talent with job needs, offers—on the basis of experience—more hopeful harmonizing with "work-centered motivation" and with "work-oriented" career attitudes than any other system yet invented and certainly more so than many rank-in-corps systems that feature closed careers, exclusive assignment jurisdiction, and promotion heavily weighted by or totally dependent on seniority.

INDO-BRITISH LEGACY IN ADMINISTRATION: ITS DIALECTIC AND DILEMMAS

V. Subramaniam

GOVERNMENTAL administration in India is essentially a creation of the Indo-British contact of two centuries and its main characteristics and problems took shape during this period. In two earlier articles,[1] I have dealt with the legacy of the earlier period and argued that the so-called age-old Indian administrative tradition was essentially a patchy continuity at a low level of organization and that prescribed Hindu values are mostly inhibitory in regard to efficient administrative behaviour. This is not to say that these factors can be ignored in a study of Indian administration. We need to look carefully into their indirect influence in particular, essentially because the first is amorphous and the second debilitating. However, the basic structure, practices and values of Indian administration today were developed during the period of Indo-British contact, which, therefore, deserves our primary and critical attention.

TWO CHIEF FEATURES

This paper does not, of course, attempt to discuss in detail the administrative history of the British Indian period. Nor does it propose to summarise or review the existing competent histories of British Indian administration and of related phenomena, such as the evolution of the Indian middle class.[2] What it does is to highlight two central attributes of this administrative evolution which are identified in the title as dialectic and dilemmas and also try to show the usefulness of these two categories in the analysis of that evolution.[3]

The term dialectic is used here in a simpler pre-Hegelian sense of a debate or conversation. By using this term in connection with Indo-

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[1] V. Subramaniam, "The Indian Administrative Tradition: Myth and Reality", *Indian Journal of Public Administration*, April-June, 1967, and "Hindu Values of Administrative Behaviour", *op. cit.*, Oct.-Dec., 1967.

[2] *e.g.*, B. B. Misra, *History of the Indian Administration*, London, Oxford University Press, 1967, and B.B Misra, *The Indian Middle Classes*, London, Oxford University Press, 1958.

[3] These categories have been sporadically mentioned by many earlier writers and no originality is claimed in that regard. It is claimed in regard to my using them to take a total view of Indian administrative development and in instituting broad comparisons with such development elsewhere.

British administrative evolution, we mean that it was neither a transplantation of British institutions nor a simple adaptation by the British of old local practices but the product of a continuous and stimulating conversation more on the lines of a chess game between the British administrators and the Indian administered. Secondly, we suggest that we gain a deeper understanding of each aspect of Indian administration today by analysing the dialectic that went on all along as it took its present shape. Similarly, we use the term dilemma not in its strict Latin sense, of a forced choice between two evils, but in its vulgarized common meaning to say that each such institution has its good and bad side and while it performs a function, it also creates a problem. Lest the reader should dismiss these terms too quickly as exercises in alliteration or Marxist truisms about any historical development, we shall forthwith explain briefly why these two features are crucial in a study of Indo-British administrative evolution.

In the first place, the first feature developed a higher degree of sophistication in India than in all other cases of administrative evolution. Thus the development of administration in Europe may be considered more or less a phenomenon *sui generis*. It was built up as an effective instrument of princely absolutism by such rulers as Louis XIV of France and Frederick the Great of Prussia to wipe out the last vestiges of feudalism and to strengthen the hands of the sovereign of the new nation state. The adaptation of this institution to British parliamentarism by the landed aristocrats in the 18th and 19th centuries was a dialectical process of a low order.[4] Similarly the building up of new administrative institutions and practices by Anglo-Saxon democracies in their *colonies du peuplement*, such as U.S.A. and Australia, was dialectical in a rather simple way. They took over with themselves a stock of general ideas about the state and society and some elementary memories of administrative institutions in Britain. Having obtained responsible government by the middle of the 19th century, they started evolving administrative institutions to suit their own local needs, the most important of which was the need for developing local resources very early. The conversation here was essentially between the colonists' slender stock of traditional ideas and the environment, which demanded and encouraged early exploitation, and the result was an original pragmatic-democratic administrative system. Compared to this rather simpler dialectical pehnomena the conversation between the British administrator and the Indian administered (both in politics and administration) was both sophisticated and complicated,

[4] For a more detailed study of this phenomenon, *see* V. Subremaniam, "The Relative Status of Specialists and Generalists: An Attempt at Comparative Historical Exploration", *Public Administration*, London, Autumn, 1968.

like an involved game of chess. The moves were calculated on both sides but they rarely produced the consequences intended by the movers.

To illustrate this point let us recount the changing attitudes of the British administrator and the Indian intelligentsia very briefly.[5] To start with the former, in the early period of the East India Company, he had some admiration for the wealth and culture of India and was prepared to 'go native' in several ways from curries to concubines. This period also witnessed the initial large-scale use of Indians as civil servants and their later replacement in higher administration by the British—who adapted local practices. There came a reaction under Cornwallis, when he began to look with suspicion on everything Indian. With the establishment of the Cornwallisian ethos there began a continuous conversation within the British camp between the evolutionists, such as Munro, who wanted administration to follow a natural line of evolution, and utilitarians, such as Macaulay, who advocated a thorough westernization in administration as well as education. After a long duel between these two schools came another important reaction early in this century, when the British became alarmed by the challenge of the fast-growing Indian middle class and wanted to strengthen the traditional elements in administration and politics. There were minor debates too about the Collector's judicial powers and the relative merits of boards and single executives. The response of the administered to all these changes of mood was both calculated and sophisticated. In regard to administration itself, the Indian intelligentsia first demanded greater representation in the higher services and later went on to ask for greater democratic control over them. On the wider question of reaction to Western culture, the responses were varied too. The demand for Western education and administration came first from Indian Liberals, such as Ram Mohan Roy. The first crude reaction of the traditionalists was followed by revivalism of two types; one represented by Vivekananda and Tilak who re-interpreted Hindu scriptures to make them yield a modified Western activist ethos, and another, typified by Swami Dayananda, who wanted to go further back to a vigorous past and wipe out all decadent accretions. The major responses in the political field, namely, the Marxist, the Liberal and the Gandhian, each had their administrative implications. Thus the conversation between both camps (and inside each camp) was rich and varied in many regards and was mostly concerned with politics and administration, as

[5] I am not quoting references for the succeeding statements as they are substantiated in most historical research studies of the British period.

the utter philistinism of the British kept them free from cultural pre-occupations—in contrast to the French and Dutch administrators.

The dialectic was sophisticated in a second sense too. In India Western technique and organization met non-Western stagnation almost exactly halfway as nowhere else—thus producing a specially meaningful dialectic. In undeveloped or vigorous African societies the response to Western superiority in technique and organization was more or less one of submission, withdrawal or avid imitation.[6] In the case of a more fully evolved but rigidified civilization, as in Mexico, the meeting resulted in its complete destruction. At the other end of the spectrum was Japan which kept the West at its doorstep while learning its technique and organization. Further inside the spectrum came Turkey and China, who admitted the West into the front court-yard through concessions and capitulations. In none of these was there any elaborate dialectic in regard to administration except in India—where a decadent but unrigid civilization faced the conquerer.

Apart from general factors, such as a modicum of flexibility and a living though decadent culture, Indian society had a specific factor which promoted a fruitful dialectic in regard to administration, namely, the remnants of a proto-bureaucratic tradition. The bureaucracy of the traditional empires in the East had all the Weberian attributes of modern bureaucracy except the crucial one of work-division and work-specialization.[7] This proto-bureaucratic tradition was most developed and continuous in China; it was stagnant elsewhere in the East, while in India it had a patchy and discontinuous history against a background of socio-cultural continuity. This made its elements adaptable to British administrative experiment and manipulation. The Indo-British administrative system was thus fashioned as a cross between the older patchy elements of Eastern proto-bureaucracy and the Western ideas of the British administrator.

Lastly, the Indo-British dialectic was of importance far outside India—as its results were either deliberately transplanted or deliberately rejected in all British territories by the colonial administrators

[6] This is oversimplifying the African response but the conquest of Africa was easy, and as African education was mainly conducted by Christian missionaries, the variety of responses was rather few and simple.

[7] The pre-Weberian bureaucracy of Eastern empires though extensively studied and analyzed by Wittfogel, Eisenstadt, Gouldner and others has been dealt with imprecisely. Most of these authors agree that it was different from modern European bureaucracy but do not pr cisely locate the distinguishing factor. This writer suggests that the one precise distinguishing factor is the low-level of work-division and specialization, and would prefer to use the term proto-bureaucracy for it, borrowing it from an early and forgotten analysis of Eastern societies by Karl Marx (resurrected by Professor Bottomore).

there. Thus the institution of the district collector, or the generalist administrative overlord of a small region was first fashioned in India and emulated in all the other places later—under the title of 'Collector-Magistrate' in Malaya, the 'Provincial Agent' in Ceylon and the 'District Officer' in Africa. On the other hand, the institution of a middle class which staffed the professions and the lower rungs of administration was deliberately rejected in Africa soon after the turn of the century by colonial administrators who were alarmed by its growing strength and demands in India.[8]

To sum it all up, the Indo-British dialectic was *the most primary, most elaborate and most fruitful* dialectic in regard to administrative evolution.[9] Let us now briefly discuss the two major institutions produced by this dialectic, namely, the British Indian administrative system and the Indian middle class and their dilemmas.

ADMINISTRATIVE SYSTEM AND MIDDLE CLASS

Each of these two had their own dilemmas and their co-existence and confrontation produced a third dilemma. We shall confine our discussion to the last and the first—as the dilemma of the middle class spans a wider area than that of administration and as such has been discussed *ad nauseam* by sociologists, Marxists and Gandhians in their own way.

The central feature of British Indian administration was the district collector—who coordinated all administrative acitivity in his district. Millions of words have been written about his work and importance by Viceroys, Governors, British and Indian politicians and civil servants, and of late Indian research workers. We shall, however, draw attention mainly to two aspects of this office, namely: (*i*) its evolution from a dialectic between Eastern proto-bureaucracy and Western rationality, and (*ii*) the dilemma posed to democracy and economic development by a system of administration based on this office.

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[8] The alarm of the British about the Indian middle class under Curzon, Minto, and Lytton is well attested. The decision to give separate representation to Muslims, to create a special civil service to be recruited from the scions of nobility and to restage the Moghul Durbar, all these flowed from this alarm. *See* Hans Kohn, *Nationalism in the East*.

The alarm was also communicated to administrators in Africa. Lugard of 'indirect rule' fame was impressed by Vincent Chirroll's account of the Indian unrest. The missionaries in Africa talked about Western education 'deracinating' the educated to create a Western middle class—and wanted to avoid it. The World Missionary Conference in Edinburgh at about this time endorsed this attitude.

[9] The word 'fruitful' is used in a value-neutral sense. That is, they (results) were many and interesting but some of the fruits were bitter.

The institution of a regional administrative overlord was very old, and established monarchical administrations down to the 18th century used such a regional representative to look after *all* administrative work in a small region, such as the district. This was natural and necessary for several reasons. In the days before work division and specialization, administrative work itself seemed an integrated whole with two sides, namely collecting revenue and providing services extending from peace-maintaining to providing irrigation facilities. Secondly, poor communications in those days made it necessary that all administrative work be integrated on the spot. Thirdly, the social psychology of monarchies needed one alter-ego or vice-regal person in every region. The idea of the regional administrative overlord was also taken up at the earliest evolutionary stage of *modern* bureaucracy in France by Louis XIV in establishing his intendants. With the advancement in the techniques of work-division and specialization and in democratic sentiment it has been slowly modified where it existed—as in France and in other countries which established modern bureaucracies later, such as Britain, U.S.A. or Australia, the idea was never entertained.[10]

The East India Company adopted and adapted the idea essentially because: (*i*) it was understood by Indians, (*ii*) the alternative, *i.e.*, division of authority between regional officers would have been interpreted as weakness; and (*iii*) it suited their imperial colonial needs of keeping peace and attending to the minimum agricultural development. As time went on, the British rulers and some Indian statesmen realized its incompatibility with: (*i*) democratic devolution of power, and (*ii*) resource development with specialized skills. But the institution survived with just a few modifications partly because of human inertia and more because of its own perfect combination of the element of intelligibility in proto-bureaucracy and of Western rationality and efficiency. This was achieved by some dialectical experiment in the days of the East India Company. The District 'Rajah', vested with apparently all the power and majesty of government, listening to all complaints, was an institution worth keeping—especially by foreign rulers, to strike roots among the people; but his selection, appointment, training and discipline could be rationalized and placed on a Western rational basis instead of Eastern caprice, arbitrariness and rule of thumb—and instead of forming evanescent groups they could be converted into a continuing *corps de elite*. This combination,

[10] France suffered for her pioneering a State bureaucracy by absorbing into it a pre-bureaucratic institution, such as a regional overlord and a highly inbred civil service as in India.

perfected well before 1857, entrenched the institution in the Indian administrative landscape.

In the dialectic between the needs of this institution and those of responsible government to be established progressively, the former suffered the minimum modifications. This may be best illustrated by means of a diagram, which shows that the existing structure has preserved much from the Westernized proto-bureaucratic model with only the minimum adjustment to the purely democratic model.[11]

The dilemma is obvious: the existence of the regional administrative overlord has so far modified representative democracy, both in regard to State government and in regard to the devolution of power to regional local government bodies. Any effective change is now possible only by drastic modifications in the concept of regional administrative coordination. The dilemma is posed by the administrators themselves as a choice between efficiency (represented by themselves) and political interference (represented by local bodies). It would be more appropriate to phrase it as a choice between a known type of regional coordination with its known shortcomings and a more democratic type of coordination with reasonable expectations of public cooperation and an unpredictable measure of efficiency.

The secondary dilemma in regard to resource development arises mainly from the subordination of the specialist to the general administrator. This flows partly from the entrenchment of the regional administrative overlord well before specialists, such as engineers, doctors or agricultural scientists, entered administration in good numbers. These were subjected to generalist 'coordination' at three levels (in the regulation provinces which covered the major part of British India)—first by the district collector at the district lavel, then by the Permanent Secretary of the department at the departmental level—and again to an overall coordination by the Chief Secretary of the Province.

This domination, inherent in the Indian administrative situation, was buttressed by the British ideal of the gentleman amateur. I have discussed in detail elsewhere[12] how this ideal was shaped

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[11] In a mature and democratic society, the single regional overlord is thought superfluous by the educated citizen who knows which department to approach and it is also undemocratic as it takes away part of this function from the Cabinet of local bodies. The regional grievance listener is, however, coming back as the Ombudsman.

[12] V. Subramaniam, "The Relative Status of Specialists and Generalists: An Attempt at a Comparative Historical Explanation", *Public Administration* (London), Autumn, 1968.

N.B. The earliest Westernized proto-bureaucracy was no different from I, except that the emperor was replaced by the Governor - with an obedient Council. Later, the expansion of the Council with each member in charge of a department - confused the picture but the Chief Secretary took over as an integrating element.

from the late 17th century onwards by the generalist educational ideas of John Locke about the education of those who would serve their country and by the aristocratic Liberal tradition of British government, with its suspicion of centralized administration. The majority of the members of the Indian Civil Service were drawn from Oxford and Cambridge universities and had imbibed this tradition young—before they came to India. The Indian administrators and the politically conscious groups in India too had accepted this tradition as an integral part of British Parliamentary government. The dialectic has worked here in a peculiar way; the superiority of the general administrator was established in a pre-democratic colonial proto-bureaucratic situation but is defended now on the basis of new arguments derived mostly from British parliamentarism.

The dilemma in regard to resource development can be put very simply. Specialist enthusiasm is the foundation of resource development and it is understandably less in an overall administrator-dominated situation—regardless of the reasons adduced in its defence. The efforts made to convert the administrator himself into a practitioner of "development administration" produce sometimes a comical vicious circle in which his very development—mindedness makes him less acceptable to the specialist.

The major dilemma of Indo-British administration, however, is the comic incompatibility of its two major products, namely, the colonial proto-bureaucratic system and the middle class. Part of the reason for this was the different climate of opinion and the different authorship of both. The district-centred administrative system was fashioned early in the history of Indian administration by the Warren Hastings type to administer paternally 'orientals' used to benevolent autocracy. The middle class was the creation, a century later, of the Utilitarians, who anticipated the demand of Western institutions from these brown Englishmen. In the early stages, all that the latter wanted was that they should run the bureaucratic system rather than the British I.C.S.—who retorted that they knew village India better than the Indian middle class. In the next stage, the middle class politician wanted representative institutions through which he could control the administrative system. Ultimately, when both demands have been won, the incompatibility of the two products is clearly brought to view.

To put it in a nutshell, the higher administrative services of the Union as well as State Governments in India are staffed overwhelmingly (more than 90 per cent) from recruits drawn from the very

small middle class making up less than 9 per cent of her work-force.[18] To call this just a case of unrepresentative bureaucracy is to over-simplify the problem. The case against such unrepresentative bureaucracies in Western democracies is rather simple—namely, that its members, drawn mainly from the middle class as in India, do not understand or sympathize with the problems of other classes, particularly the working classes which constitute a larger percentage of the population. In essence, the dimensions of this problem there, are comparatively small for various reasons. The lack of sympathy argument—as I have explained elsewhere —is overdone. The middle class and the working class are both urbanized and both are products of a continuing Industrial Revolution. Their rivalries are often institutionalized politically, and the Marx-predicted conflict is often toned down by the effects of social mobility, welfare legislation, Keynesian economics and such other factors. Again, the degree of unrepresentativeness is not alarming. At one end comes the American Federal bureaucracy where the middle class is represented (81 per cent) only slightly above its percentage (16 per cent) of the work force, giving a coefficient of about 1·25. Further down the scale are European countries where the degree of middle class over-representation is just about four.

The unrepresentativeness of India's higher administrative services is far higher—to the tune of ten for the middle class as a whole—and of staggering proportions (500) for some sections of it, such as higher civil servants. This in itself makes the problem more acute than in Europe or America but it is not the worst part of it. Indeed, the progressive increase in the lower middle class element has been very fast, and the unrepresentativeness of the higher administrative services, though deplorable, is a slowly diminishing evil.

The more acute problem relates first to the greater distance between the small urban middle class and the vast peasantry of India than that between the Western middle and working classes, and secondly, to the difficult innovating role which the middle class-based civil service is called upon to play—through a colonial proto-bureaucratic system. The first needs no elaboration. As for the second, the best men in the middle class-based civil service are called upon to run the district-based proto-bureaucracy—either directly as collectors or indirectly—in supporting roles. To put it sweepingly, they are asked

[18] For full details *see* V. Subramaniam, *The Social Background of India's Administrators*, New Delhi, Government of India, Publications Division, 1968 (forthcoming) and V. Subramaniam, "Representative Bureaucracy: A Reassessment", *American Political Science Review*, Washington, December, 1967.

to practice a brand of benevolent internal colonialism in the interests of economic development. Such a role has been successfully played elsewhere—either when the middle class was created by local forces as in Prussia or where a powerful dedicated aristocratic group, as the Samurai in Japan, took on this role in co-operation with new entrepreneurial groups. In India, it is a purely derivative middle class, lopsidedly developed from the professions and intelligentsia, that is called upon to perform the task through a pre-middle class administrative system. It is a truism to say that the role is both unusual and difficult.

GOVERNMENT WITHOUT TEARS—A SURVEY

Shanker P. Mukerji

MY project on redress of citizens' grievances though formally pursued in the London School of Economics led me incidentally to a fascinating study of the public and the public administration in a well-cultivated society. One could see and touch, both the wood of politico-social culture and the tree and branches of its government, voluntary organizations, professions and other public institutions—an experience not adequately accessible through written literature alone. What follows in this essay is not a photographic but a subjective and a 'whole cloth' portrayal of certain characteristics of Western administration in relation to ordinary citizens which could strike a few chords in a rather 'irreversible' Indian mind. The subject matter of the main project may have given an anthropocentric slant to this otherwise an independent and personal experience. But, somehow the individual always attracted my attention. One may say with reasonable honesty that in spite of the premonitions of an Orwellian "1984"or Aldous Huxley's manipulated mass society, the individual in the West still occupies a place of considerable regard and recognition. Apart from the economic and social security on the material plane, he still enjoys opportunities of positive self-fulfilment,[1] irrespective of his financial and social status.

CULTURE—THE BACK-DROP

In the West, one senses the existence of an alert society quietly efficient and relaxingly active, yet ever sensitive like the taut string of a tuned electric guitar. Society functions as an orchestra where distinct groups of those in industry, labour, politics, education, civil service, etc., play on their own different instruments but they do so mostly within a symphony of the nation.

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[1] Any tramp in London can enjoy the priceless treasures of the British Museum, the Tate Gallery and other world famous museums without spending a single penny. Through any of the free neighbourhood public libraries in London any citizen can have access to any book or publication in the world. The cultural and intellectual 'repertories' of the Old Vic or the Royal Opera House can be enjoyed by spending less than what a modest breakfast will cost. Men and women of any age group can learn any of the fine arts, crafts, foreign languages, etc., by attending day or evening classes of the numerous local government institutes, free or at nominal cost. The personalized attention and standard of education and instruction in such institutes can be the envy of any academy. The effort is to encourage and help a person in discovering and developing his or her latent potentialities under expert and sympathetic guidance.

A visitor to the European countries and specially England is immediately struck by the general attitude of courtesy and helpfulness which goes into human conduct. Some trace this to the Judeo-Christian concept of an ethical God. In any case, this attitude, in spite of institutional limitations, qualifies the civil service also. One cannot help noticing the promptness with which one's letters addressed to government or private organizations are replied to. Not replying to a letter in time is considered to be rude and is culturally reprehensible both to the public and the public servant.

Personal and social ethics (certain things are just '*not done*') may be one of the secrets of the general sense of discipline and honesty with which public and private dealings take place. The civil service in Britain is practically free from corruption. The tone for probity, courtesy and compassion (even for animals) is perhaps set very early in one's life by familial education at home and the social education in the schools. The public is very sensitive to the quality of education the child receives in the schools up to the age of 16 years. Education is mostly 'polyvalent' and helps the child not only in acquiring knowledge but in developing a sense of beauty and personal identity in the scheme of things. The growth of physical, moral, spiritual and civic faculties has to be attended to. A good school education thus takes care of a number of factors in the making of a good civil servant which no amount of post recruitment training can cover.

Both in the East and the West, the government provides the fulcrum for progress. Even in the non-socialist countries, 30 to 40 per cent of national income and employment falls within the public sector. Ideological overtones are gradually being replaced by functional pragmatism. The impulse is to wrest the maximum out of one's environs and resources, in a collaborative quest for efficiency and productivity. The 'divide' between the public and the private sectors is disappearing in a desparate common struggle to survive in international competition. There is an immanent urge for modernizing society and with the near cessation of poverty the demand is increasing for improving the quality of life. The quantitative benefits and privileges of yesterday are today's rights of the citizen. Health, housing, education and even aesthetics have been made accessible to the weakest sections of the community. Public Administration faces new problems in such a situation. The demand for *individual* fulfilment and autonomy on the foundations of a *collectively* sustained rate of progress and growth, creates tensions which may be unknown in the less sophisticated societies. This has thrown up in the Western world (including the socialist countries) new problems of 'administrative law',

communication, and man-management for which new outlook and new skills are required in the public services. The individual is compelled to assert his interests by transferring his loyalties from the outmoded horizontal social stratification (except perhaps in the racial field where the problem is more of bipolarization than of stratification) to vertical professional and interest groupings like the Trade Unions, Medical Association, Confederation of Industry, etc. Parliamentary representation based on horizontal and territorial divisions is increasingly being questioned in favour of functional representation. In any case the impact on Government's policy-making process, of such functional groupings outside Parliament, is fast catching up and even outstripping that of Parliament itself. The recent trend towards specialized committees of Parliament is a step towards professionalization of this institution.

Members of Parliament in spite of their apparent enfeeblement by party discipline continue to enjoy considerable social recognition and behind-the-scene influence on the government. There is constant communication between the M.Ps. and their constituents whose case work they take up with assiduity and fervour. It is estimated that in the U.S.A. the Congressmen write 1,000 to 10,000 letters per week. In the U.K. the Government receives more than 50,000 letters annually from the M.P's. While in the U.S.A. the Congressmen deal direct with the officials, in the U.K. the M.Ps. write only to the political appointees of the departments. Their general level of intellectual and professional attainment is quite impressive. A survey of 310 Labour M.Ps. in 1965 indicated that 62 were graduates from Oxford and Cambridge and 88 from other universities, 57 had been in public schools, 7 were company directors, 46 were lawyers besides there being 7 doctors, 19 engineers, 9 economists, 7 accountants, 6 stock-brokers and 46 teachers. Most of the M.Ps. hold "surgery"(some sort of "grievances clinic") at least once a fortnight where the constituents bring up their individual grievances. The M.Ps. besides counselling them take up deserving cases with the departments concerned. In the "surgery", they do not canvass for themselves or their political parties but attend to the constituents irrespective of their known political sympathies. In the Continental countries, the need to attract the cream of the intelligentsia in the highest deliberative body of the nation has been well recognized. The civil servants in countries like France and Germany are allowed to fight elections and, if successful, granted leave of absence during their tenure as M.Ps. The various professional, industrial and other interest groups get their representatives elected through party machinery and bear all their expenses.

The Western society is now harvesting a bumper crop of unprecedented prosperity and strength from the seeds of science and technology they have been sowing during the last one hundred years. It is estimated that more than 80 per cent of all the scientists so far born in the human history are alive in the present generation. As servants of industry and defence, science and technology both have been "industrialized" and "commercialized" (contract research, etc.) through colossal research and development (R. & D.) programmes. In the U.S.A. in 1967 alone the Federal Government spent Rs. 12,000 crores on R. & D. Technology has also given immense economic power to the industry (the gross annual income of the General Motors is comparable to the total national income of India). Through improved and cybernated (self correcting and self adjusting) methods of automatic productions, productivity in terms of labour input has reached astronomical proportions. The steel factories in the U.S.A. employ 95 to 100 persons per £ 1 million (Rs. 1·8 crores) worth of steel produced in a year. In the U.K. it is 259 persons. The Volkswagens of Germany employ only 75 persons per £ 1 million worth of vehicles annually produced!

Regulation and harmonization of such immense powers concentrated in the hands of the industry, for optimum social and economic benefits, necessitate some sort of governmental planning in practically all the developed countries. The method may be either persuasive and consultative or imperative. The government have to provide at least the infra-structure for economic growth and the public utility services. In the U.K. at present 40 per cent of the annual capital outlay, 40 per cent of the gross national product, 25 per cent of the investment in research and 60 per cent of highly educated manpower is in the public sector. Combination of political and economic powers in the hands of the government necessitates not only managerial skill but also administrative justice and political integrity of a high order.

Such functional interpenetration between the Government and the industry is having a dual effect. Within the Government, it is generating cost and time consciousness[3] and creative thinking. The rules of 'gerentocracy' or seniority are being replaced by those of 'meritocracy' in favour of the young and creative technocrat. Within the industry on the other hand, social consciousness is qualifying the

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[3] There is generally an acute concern for conservation of human time (for work or for leisure) and optimum utilization of the human brain for non-mechanical and non-routine work. Time is taken in the perspective of life itself. Waste of one's time or that of others is taken as waste of life and is thus considered not only foolish but also rude. Time for leisure is earned by time devoted to honest work. Thus leisure is as sacred and life enriching as work is edifying and life-devoting. There is also a clear distinction between idleness (devaluation of life) and leisure (enrichment of social or individual life).

profit motive of the management and the wage motive of the labour. As economic and social programmes become more capital intensive and centralized, the risk of any error assumes high proportions in financial terms. To reduce the risk of error, policy decisions are being taken more and more in a collective fashion by the Government in consultation with the industry, the labour and the non-committed intellectuals and experts in society. These outsiders are being drawn into the governmental machinery either directly as Industrial and Economic Advisers[8] or indirectly as members of various committees, commissions, tribunals, etc.

Science and scientific methods in and outside Government hold great promise in all anti-poverty programmes. The introduction of the disciplines of the O & M, Operations Research, etc., in Government resulting from its involvement in the micro-economic problems of productivity, efficiency, investment analysis, etc., is making the administration operationally productive. The impact of sociological and behavioural studies of poverty, deprivation and man-management, on the other hand, is making the governmental machinery more humane in the distribution of wealth and power. The application of automatic data processing techniques through the computers in the social and economic fields is progressively reducing errors, uncertainties, subjectivism and political horsetrading in decisions affecting millions of people. It is also being made possible for a few superior and creative brains to engage themselves entirely to the fundamental non-quantifiable problems of human organizations against a far larger canvas of time and space comprehended by the computers. Being free from the routine of information processing, it is hoped they will be able to sustain the human elements in administration which could have gone by the board long ago in a blindly 'mathematicalized' treatment of mass organization.

ADMINISTRATIVE JUSTICE

Some of the orthodox standards and norms of substantive and procedural justice based on the concept of the 'rule of law' which are valid for disputes between one individual and another with a neutral State in the background have been continuously under fire ever since

[8] In the Department of Economic Affairs, the Ministry of Technology, etc., in the U.K., specialists from outside are drawn on a full or part-time basis with direct access to the Minister. Some of the Industrial Advisers come straight from the board rooms of the industry with annual pay packets in the region of £ 10,000 or so. In some cases a part of their salary is paid by the industry itself. Socialist ex-ministers can take up employment in the private sector without any ideological qualms or public suspicion. All these also symbolize the mutual trust which obtains between the Government and the industry on a functional and individual plane.

the advent of the 'administrative state' with its social and economic commitments. The problem seems to be more acute in the common law countries, where under an overworked notion of equality before law no separate corpus of law and jurisprudence was recognized to govern the action of the State in relation to the individual. In the Continent, however, a separate jurisprudence of administrative law and a separate judicial apparatus have been slowly and consciously evolving to adjudicate between the State and the citizen. In the Continent the emphasis on administrative law in the training and postures of the civil servants has been traditional. In the U.K. and the U.S.A., however, the emphasis on individualism under a minimal government resulted in the Judiciary being concerned mostly with the sanctity of private property, life and contract. The social and economic responsibilities of the Welfare State as an instrument of the community, however, reduced to an absurdity the philosophy of the State being treated as any other citizen.

The basic problems and issues in administrative law in a Welfare State can be briefly enumerated as follows:

(*a*) The concept of equality before law which may govern the relationship between one individual and another may not always be applicable between the State and the individual. In matters relating to national security, budget, etc., a reasonable degree of sovereignty and immunity has to be provided to the State.

(*b*) In contradistinction to the above, where the State begins to participate in economic activities and interferes with private rights or property, some of the traditional immunities of the State may have to be rationalized, *e.g.*, secrecy of documents, etc.

(*c*) Policy and administrative discretion used to be left alone by the ordinary courts of law in the past, as political remedies were adequately available to the citizen in the democratic institutions at the central and the local levels. Because of the complexity and volume of governmental functions, political check is now very nominal. The remedy is either to (*i*) modernize Parliament or (*ii*) extend the scope of the ordinary courts or (*iii*) have administrative courts and tribunals or independent bodies to go into the merits of individual case. Each one of these would involve fundamental changes in the role of the Executive, the Legislature and the

Judiciary. In the Continent, the administrative courts have been proliferating independently of the ordinary courts. In the United States, executive matters are being delegated more and more to the Independent Regulatory Commissions outside the reach of the Congress and the President. In the U.K. administrative decisions are progressively being shaped, made and reviewed outside the Whitehall complex, by the administrative tribunals, nationalized industries, statutory licensing and trading boards, professional regulatory bodies (Air Transport Licensing Board, and Potato Marketing Board), semi-administrative bodies (Hospital Management Committees, Regional Hospital Boards) and advisory bodies with representative interest groups (National Economic Development Council, Prices and Incomes Board, etc.). The minister retains only the powers of appointment, of issuing policy directions and in certain cases reviewing the decisions.

(*d*) The fundamental principles of natural justice, *viz.*, '*audi alteram partem*' (hear the other party before giving a decision) or '*nomo judex in causa sua*' (one cannot be a judge in his own case) are being found in certain cases to be in conflict with the operational needs of speed and efficiency. In cases of licensing or town and country planning where a policy decision may affect hundreds of thousands of individuals, it may not be possible to hear each and every person affected. Similarly, where the minister is politically committed to a particular policy, namely, development of new towns, to say that by rejecting objections to the establishment of a new town, he is acting as a judge in his own case will be unrealistic. The effort in the various countries today is to so harmonize the interest of private justice with the interest of the public welfare as would enable the operational goals to be achieved with reasonable efficiency while giving a sporting chance to the individual adversely effected.

Some of the basic principles of administrative justice which ar increasingly being recognized in the decision-making process in the aforesaid countries are as follows:

(*i*) *Independence*—In those sectors where policy is well crystallized in the statutes and the scope of discretion is narrow, decisions had better be delegated to independent bodies outside the Government. The American Independent Regulatory

Commissions (Federal Trade Commission, Civil Aeronautics Board, Federal Power Commission, etc.), the Traffic Commissioners in the U.K., etc., issue licences even though they are independent of the Government. The Tribunals in the U.K. in the field of national insurance, supplementary benefits, industrial injuries, national health service, industrial training, pensions, etc., hear the first and second appeals against the decisions given by the administrative ministries. The Tribunals can go into law, facts and discretion and substitute their own decision. In the U.S.A., the Independent Regulatory Commissions in the fields of industry, trade, commerce, civil aviation, power, labour relations, etc., issue policy, rules, licences, etc., without being controlled either by the President or the Congress. Each of these Commissions has a full complement of administrative, investigating and adjudicating (hearing examiners) staff—the last being independent of the rest of the organization.

The dilemma in the choice of such independent organizations lies between independence and public accountability. Being independent of the minister they may be independent of Parliament also, though not of the courts. The more independent they are the less is their accountability. Though in the U.K. the chairmen and the members of the Tribunals are appointed by the Lord Chancellor and the departmental ministers respectively, they are far more independent of the Government than the ordinary run-of-the-mill civil servant. These Tribunals may not be as good experts as the departments, but they are far more so than the ordinary judges. In the U.S.A., however, it is doubtful whether real independence or impartiality has been achieved in the Regulatory Commissions. Since these Commissions are appointed on a bi-partisan basis and to some extent have been 'colonized' by business interests, it is just possible that in the process of ensuring independence in the working of these Commissions, the departmental bias is merely replaced by an interest bias without the accountability and responsibility under which an executive department would have functioned.

(*ii*) *Publicity*—The Administrative Procedure Act (1946) of the U.S.A. makes it obligatory for every agency to publish in the Federal Register, description of its organization, methods of procedure, methods of informal and formal procedures,

forms, instructions, general policy, substantive rules and interpretations for the guidance of the public. Similarly, every agency is to publish and make available for public inspection, final information or orders in the adjudication of cases. In Czechoslovakia, Germany, Denmark, Poland, Norway, Spain, U.A.R., etc., the citizen may see documents which affect him personally. In Sweden, all official documents (subject to specific statutory exceptions) are open to the public and no personal interest is necessary for examination. Internal notings are also open to the public after the case is decided, but even before that, they are available to the interested parties. Penal action is provided for delaying publicity. It is now an established fact of public administration that publicity is the most effective solvent of public suspicion and safeguard against public corruption.

(*iii*) *Reasoned Decisions*—Section 8(b) of the American Procedure Act is perhaps an epitome of taking the parties into confidence in administrative decisions. It reads as follows: "*Submittals and Decisions*: Prior to each recommended, initial, or tentative decision, or decision upon agency review of the decision of subordinate officers, the parties shall be afforded a reasonable opportunity to submit for the consideration of the officers participating in such decisions: (1) proposed findings and conclusions, or (2) exceptions to the decisions or recommended decisions of subordinate officers or to tentative agency decisions, and (3) supporting reasons for such exceptions or proposed findings or conclusions. The record shall show the ruling upon each such finding, conclusion, or exception presented. All decisions (including initial, recommended, or tentative decisions) shall become a part of the record and include a statement of: (1) findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record; and (2) the appropriate rule, order, sanction, relief, or denial thereof." Section 12 of the British Tribunals and Enquiries Act makes it obligatory on the part of the Tribunals and the ministers holding a statutory inquiry to give reasons for the decision.

(*iv*) *Appeal to Ordinary Courts*—Both the American and the British statutes quoted above, specifically lays down the right of the citizen to appeal to the ordinary courts on points of law. Any statute excluding judicial review is unconstitutional

in France and the U.S.A. In West Germany and France, statutory exclusion of review is *not* recognized by the administrative courts for examining an alleged abuse of discretion.

(*v*) *State Liability*—The Federal Torts Claim Act (1946) of the U.S.A. and the Crown Proceedings Act (1947) of the U.K. have extended the vicarious liabilities of the State to compensate the citizen for the acts of negligence on the part of the civil servants. In Sweden and Finland, the civil servants and the ministers can be criminally prosecuted and impeached for slothfulness and inaptitude. In Poland and Norway, damages can be claimed for wrongful arrest and conviction. In the U.S.S.R., the civil servants can be imprisoned for three to eight years for abuse of power and can be penalized for negligence or failure to act properly. The trade unions can impose fines on the factory management for violation of labour and safety laws. The concept of state liability has been excellently developed by the Conseil d' Etat in France and has been described separately.

ADMINISTRATIVE PROCESS

Administrative Procedure Code

Subsequent to the passage of the Administrative Procedure Act in the U.S.A. which sometime has been aptly criticized for over-judicializing the administrative process, various other European countries have been adopting similar acts to temper administrative authority with elementary justice. The Administrative Procedure Act of Yugoslavia, for instance, was passed in 1957 to govern the administrative acts of officials, when they decide on rights, obligations or legal interests of the individual. This Act contains 298 articles and 761 sections besides some general principles of legality and 'intravires', harmonization of private rights with the public interest, obligation to determine all relevant facts and their conscientious assessment and the principles of natural justice. *Failure to act on the part of the official within the prescribed time limit is deemed to be an adverse decision appealable to courts as a matter of course.* The other principles include the right of legal representation, public hearing, disqualification on grounds of bias, obligation to give written decisions and to disclose the reasons. Similar codes have been prescribed in Poland, Hungary, Czechoslovakia, Denmark and Austria. In Poland, in 1962, it was found that in the beginning, in 80 per cent of the cases selected at random, the code had been violated. The officials were then given training in the code and matters improved a lot thereafter.

Appeals and Statutory Enquiries in Britain

True to their tradition of empiricism the British have not yet prescribed any rules of administrative justice in the form of a code, though the Franks Committee[4] had recommended that the Council on Tribunals which is to act as a watch-dog over the functioning of the various tribunals and public enquiries, should formulate code or codes of procedure for statutory enquiries. Most of the Tribunals and ministerial enquiries are governed by specific statutory regulations. These regulations are being gradually amended to conform to the general recommendations of the Franks Committee to make such a procedure open, fair and impartial. The British process of administrative decision can be typified by the flow process charts (see p. 288) re'ating to transport licensing and disposal of a complaint against a doctor under the National Health Service (NHS) scheme.

The following features of the above processes may be noted.

The application at the original stage is handled by either the independent Area Commissioners or by the Service Committee and the local Executive Council either of which consists of laymen, representatives of the local authorities and those of doctors, dentists, and pharmaceutists. The licence applications are heard by the Commissioners after they had been published for objections. The parties are heard in public in an informal atmosphere with flexible rules of evidence. The Commissioners can suggest to the parties to confer and settle objections. There is no interference from the ministry at this stage and though, under the statute, the minister is empowered to issue policy directives to the Commissioners, no such directive has ever been issued. Any person aggrieved by the original decision can go in appeal either to the minister or to a county court or to the Transport Tribunal as indicated in the chart.[5] The N.H.S. Tribunal consists

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[4] Franks Committee, appointed in 1955 as an aftermath of the 'Crichel-Down' affair, forms a watershed in the evolution of public administration in Britain. It submitted its report in 1957 on the basis of which the Tribunals and Inquiries Act was passed in 1958. The committee gave detailed recommendations about the working of the administrative tribunals and departmental procedure in dealing with public enquiries on appeals and land acquisition cases. It stressed the need of administrative process to be *open, fair and impartial*, and the administrative decisions to be well reasoned. On its recommendations an independent Council on Tribunals was set up to supervise the working of the various administrative tribunals and enquiries and to report direct to Parliament.

[5] Franks Committee had recommended that no appeal should go from a tribunal to the minister. The N.H.S. Tribunal is a notable exception still indulged in by the Government, to this sacred rule. Only the doctor complained against can go in appeal to the minister, but not the patient. The distribution of original and appellate jurisdiction amongst the local authority, ministries, county courts, administrative tribunals and high courts does not seem to follow any logical pattern in the U.K. as even the chart on transport licences would show. Some tribunals like those on National Insurance hear appeals against the departmental decisions, while in case of Air Transport licences appeals from the independent licensing board go to the ministry. Appeals from the courts, however, never go to the minister or the tribunals.

FLOW PROCESS CHARTS

TRANSPORT LICENSING

Application for licence
→ Public Enquiry by Area Commissioners & Decision
→ Passenger Service Licence / Driver's & Conductors Licence / Goods Carrier Licences

Passenger Service Licence:
Appeal to Minister → Hearing → Decision by Minister → Appeal to H.Court on Law → Further appeals →

Driver's & Conductors Licence:
Hearing by County Courts → Decision by County Court → Appeal to High Court → Further appeals →

Goods Carrier Licences:
Transport Tribunal → Hearing → Decision → Appeal to Court of appeal →

N.H.S. DISMISSAL

Complaint to the Executive Council
→ Inquiry by Services Committee
→ Report to Ex.Council (Ex.Council recommends to Tribunal removal of name from practising)
→ Inquiry by N.H.S. Tribunal (Tribunal decides)
→ Appeal to Minister by doctor only
→ Inquiry by Ministerial Committee
→ Minister consults local associations
→ Minister's decision
→ Appeal to High Court on Law only
→ Further appeals on Law →

of the chairman who is a lawyer, one lay member and one professional member selected from a panel. They are not paid any salary. The chairman is appointed by the Lord Chancellor (a Cabinet member) who is also the head of the British Judiciary. So far as appeals to the minister are concerned, the British interpretation is that the decision of the minister has to be an amalgam of *law*, *facts* and *policy*. So far as ascertainment of law and facts and their proper assessment is concerned, this is generally done through a public enquiry held by an inspector or an enquiry officer who, in case of traffic appeals, is independent of the ministry. The enquiry is open to the public and the inspector in his discretion can allow anybody to be examined. Though it is expected that in public enquiries, the inspectors or the enquiry officers, like the Continental Conseil d' Etat will follow an inquisitorial process and will themselves collect every available information, they act more or less like ordinary common law courts and confine their findings to the evidence and arguments adduced before them. They can conduct local inspections also. The report and recommendation of the inquiry officer is submitted in confidence to the minister and is related to only law and facts—the policy being left to the minister. The minister *after considering* the findings on law and fact may take a decision *based on policy*. The courts have held that his decision being based ultimately on policy need not be totally related to findings of law and facts. In 95 per cent of the cases, however, the decisions on the inspector's report are taken at and below the level of Assistant Secretary and the enquiry report is mostly agreed to. In certain cases, the minister may disagree with the inspector's findings and consult experts in and out of the department and collect any additional information as he likes without informing the parties. In the famous 'Chalkpit' case[6] the Council on Tribunals bitterly criticized this ministerial practice of taking *ex-parte* evidence on facts and

[6] The concerned local authority having refused (1.4.58) permission to the owners of certain land to dig chalk therein, an appeal was made by them to the minister who got a local enquiry held by an Inspector. The Inspector after taking evidence and hearing objections of neighbouring landowners that the digging of chalk and causing deposit of chalk dust will damage their crops, etc., recommended to the minister that the appeal be dismissed. The minister obtained from the experts in government views that the deposits, if any, will not cause damage. Accordingly, he did not agree with the report and allowed the appeal permitting digging of chalk subject to certain conditions. One of the objectors Maj. Buxton appealed to the High Court against the decision of the minister, but his appeal failed on the technical ground that he is legally not an aggrieved person, only who could have filed the appeal under the relevant Act. Thereafter, Maj. Buxton complained to the Council on Tribunals that by taking '*ex-parte*' expert evidence, without giving the objectors an opportunity to counter it, the minister has done him and others injustice. The Council on Tribunals which is an independent body criticized the procedure adopted in such cases, in its annual report to Parliament. On this, the government including the Prime Minister had to face an agitated Parliament (1961). In 1962, the procedure was revised and now the minister has to invite the comments of the parties in case he disagrees with the report of the Inspector, on the basis of expert evidence or opinion.

views in a "private enquiry" within the Government, after the public enquiry by the inspector has been completed. Since 1962, the parties are being consulted by the ministries on new facts and expert views if the findings of the inquiry officer are to be rejected. Further, though the Franks Committee had recommended that the factual part of the inspector's report should be made available to the parties immediately after the completion of the inquiry, the inspector's report is given to the parties only after the minister has given his decision.

It may be noted that in all cases of decision given by the tribunals or the minister, appeals are provided on points of law to ordinary courts.

Review of Administrative Decisions

'Droit Administratif' and the Conseil d' Etat of the French Pattern—The attractive features of the French Administrative Law (droit administratif) can be briefly enunciated as follows: (*a*) *Inquisitorial*—In resolving disputes between the citizen and the State, the procedure in the French and the Continental administrative courts and tribunals are *inquisitorial* and not *adversary* as in the Anglo Saxon world. This simply means that the Continental judges (who are incidentally civil servants but with comparatively greater independence in promotion and transfers) do not decide the cases merely as umpires on the basis of whatever evidence, *the parties are able* to produce with whatever dexterity. It is sufficient for the complainant to sow a seed of doubt aboutt he propriety of the administrative decision. Thereafter the courts will *themselves* or through 'rapporteurs' collect all relevant information and after hearing the parties in public give a decision. Such a system reduces the possibility of injustice caused due to lack of resources of the citizen to engage expensive lawyers or to elicit relevant facts from the officials. (*b*) *Comprehensive review*—The scope of 'droit administratif' is far wider than the ordinary or extraordinary (certiorari, prohibition, etc.) remedies available in the courts of the Anglo Saxon pattern. The Conseil d' Etat goes into the merits of a decision, not only on facts and law but on *motive* also. Undue haste or delay in an administrative decision casts reflection on the motive of the administrative authority and the onus of proving bonafides lies on the latter. Further, the Conseil can go into the merits of an administrative discretion from social and political angles. In the common law countries, not only is such a kind of review unthinkable but even the rules of natural justice play only a marginal role in administrative process and their violation cannot be a ground for review. The courts enforce these rules in very limited areas, *i.e.*, where the decisions are quasi-judicial in nature and also where there is a duty on the part of the authority to

act judicially—criteria which may be very subjective. In droit administratif, however, violation of 'les principes generaux du droit' (general principles of law) will be fatal as in the 'Trompier Gravier' case where the order revoking the licence of the owner of a newspaper kiosk was annulled because she had not been properly heard. (*c*) *Subjective satisfaction must be justified externally*—In the common law countries, where the statute gives power to an executive authority to arrest or dismiss or otherwise deal with a person when the former is *satisfied* or has *reason to believe* that the person is unfit or undesirable, dire punishment can be imposed by the authority without any 'speaking' order (reasons not being given). In such cases, the ordinary common law courts, even where the arrest is subsequently proved to be wrong (as in Liversidge *Vs*. Anderson)[7] do not challenge the decision. In 'droit administratif' all administrative orders and decisions must be *justified on the face*. If the justification is not obvious and the authority demurs in providing it, it will be a sufficient ground for the Conseil d' Etat to annul the decision. This happened in the famous 'l'affaire d' Ecole Nationale' on 31.5.54. The minister on political grounds had excluded some candidates from appearing in the admission examination of the Ecole Nationale. This order was challenged before the Conseil d' Etat but the minister's reply was that he enjoyed discretionary powers and that he was not obliged to give any reason. The 'rapporteur' prepared a report and suggested that the department should produce all available material in 8 days. This was not done, the public hearing was held on 31.5.1954 and on that very day, the minister's orders were annulled as being 'entache' d' erreur de droit'. (*d*) *Creative and dynamic jurisprudence*—The Conseil d' Etat is not bound by precedents. Not only has the Conseil d' Etat been interpreting law but also deciding what legal authority (written or unwritten) customs, conventions, declarations are to be invoked for a particular situation. For instance, during the post-war period it has been developing a corpus of 'les principes generaux du droit' going far beyond the principles of 'natural justice'. Some of the general principles evolved can be enunciated as follows: (*i*) *Constitutional*—Separation of powers, equality before law, individual rights and freedoms of property, belief, association, etc. (*ii*) *Legal*—Non-retroactivity of law, damages for State action, fair hearing (Trompier-Gravier case) impartiality, reasoned decisions. (*iii*) *Philosophical*—Principles derived from the nature of things, internal logic of institutions, demand of social life, survival of the Republic and the nation, and maintenance of public service. (*iv*) *Ethical*—Principles of administrative morality, intellectual integrity, general interest, 'administration shall not lie', etc.

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[7] [1942] "Appeal Cases" 206—House of Lords.

Though the 'general principles' do not negate the statutes, they fill up the gaps in law and 'educate' the administration in the propriety of administrative procedure.

The Conseil d' Etat in accepting a complaint is not very much bothered about the jurisdictional issues, *e.g.*, judicial or administrative nature of the decision, whether there is any alternative remedy or if the complainant has got a personal interest. It has been entertaining applications even from the general tax-payers against the extravagence of the local authorities. The underlying principle of their decisions has been to secure a proper and decent standard of behaviour in the French administration. Administration is taken to be an honest and reasonable person and standards of good and fair administration have been made justiciable. (*e*) *Independence*—Even though the Conseil d' Etat is constituted[8] within the civil service structure, it has developed traditions of independence and practical judgment. The Conseil d' Etat can be extremely independent and fearless. In 1895, the decision of the Conseil d' Etat in a dispute between the government and a railroad company resulted in the resignation of the Prime Minister, the Cabinet and the President. In 1963, the Conseil d' Etat quashed a decree of President De Gaulle himself establishing a special court under emergency powers. (*f*) *Vicarious liabilities of the State*—The Conseil d' Etat has perhaps gone the farthest in extending the vicarious liabilities of the State. Apart from awarding compensation for damages incurred by the citizens for the official acts of the civil servants, damages have been awarded against the State to the citizen even where a civil servant has been *personally* negligent, corrupt, or has abused his power and acted beyond his legitimate jurisdiction. In the common law world, the State is never liable to pay damages in such cases of maladministration. In the U.S.A., for instance, immunity of the State still exists against claims arising out of wrongful assault, battery, false arrest, malicious prosecution or libel or interference with contractual rights for most of which the Conseil d' Etat has awarded damages against the State. By the theory of 'cumul' and 'faute incluse' damages have been awarded against the State even where an

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[8] The whole Conseil in 1959 consisted of five sectional presidents, fifty eight counsellors, fifty-three *maitres des requetes*, etc., and fifty-eight class I and class II auditors. Recruitment is done as auditors from the elite 'grand corps' of the Ecole Nationale, though outsiders, are also inducted as counsellors. The Conseil is divided into five sections, *viz.*, interior, finance, public works, social and finally judicial, the last of which comprises 50 per cent of the whole strength. Various ministries and departments of the government are allocated to the four administrative sections which are consulted on policy matters and decrees. Important matters are discussed in the general assembly of the Conseil where both the judicial and the four administrative sections participate. It is not unusual that governmental decrees which had been ratified by an administrative section of the Conseil d' Etat was annulled by the judicial division. Promotions are made only on seniority and though the counsellors and auditors can be rotated to the administrative ministries also, this can be done only with the consent of the incumbents.

accident was caused by a military vehicle when the driver was drunk and had stolen the vehicle from the garage. It was argued against the State that if the State had properly supervised its garage, the accident would not have occurred. Similarly, in another case, where a member of the public on finding the exit door closed in a post office wanted to get out through the door meant for the staff, but was cruelly beaten up by the members of the staff, damages were awarded against the State on the ground that if the exit door had not been closed before the scheduled time, the occurrence would not have occurred. The Conseil d' Etat has also evolved a theory of 'risk' under which damages incurred by the citizens without any fault on the part of the administration are adequately compensated. Thus compensation was awarded in a case where due to accidental explosion of an ammunition dump, the property of a citizen was damaged. Under the concept of "social insurance", it has been argued by the Conseil d' Etat that since the citizens claim equality of rights, they should be subject to equality of liability also. Where, therefore, for the welfare of the community, a school is built on land acquired from a private citizen, the latter should not unduly suffer merely because of the public interest involved. On the other hand, the community which will benefit, should adequately compensate the owner for his land. This is one of the instances in which the Conseil d' Etat has very elegantly and rationally harmonized the individual right with the collective interest.

Administrative Courts

What has developed in the U.K. as administrative tribunals, within the supervisory control of ordinary courts, has taken the shape of administrative courts in the Continental countries. These courts are in no way subordinate to the ordinary courts and have exclusive jurisdiction to deal with adjudication concerning administrative action. The Swedish Supreme Administrative Court (established in 1909) goes into administrative discretion and can substitute its own decision also. In Germany like France, there is a hierarchy of provincial and central administrative courts. These courts are not bogged down to jurisdictional niceties, *viz.*, whether a case is quasi-judicial or judicial or administrative or quibbles in respect of the form of remedy, *viz.*, certiorari, prohibition, mandamus, etc. A citizen can appeal to the local administrative court if he does not get a decision or a proper decision from the administration *within a reasonable time.* Counsel to represent the public interest is also appointed in such disputes. The procedure is simple, informal and inexpensive. During the pendency of a case, the administrative decision remains suspended. The Finish Supreme Administrative Court can hear appeals against the decisions

of the Cabinet also. In Yugoslavia, a special division of the Supreme Court in each of the six Republics takes up administrative cases. In the administrative courts, the procedure is inquisitorial but they can be moved only by a complaint. Thereafter, it is the responsibility of the courts to collect evidence. In Denmark, a special court 'Rigsret' composed of members of the Supreme Court and the 'Folketing' (Parliament) tries the ministers. A special court of complaints, consisting of judges only, tries the judges.

The French and the Continental system of providing administrative justice and redressing grievances with its innate superiority over the common law machinery, has provoked a number of proposals from the Anglo-Saxon world. The institution of Ombudsman looks mostly into maladministration (delay, bad procedure, etc.) but, by and large, he cannot redress the grievances arising out of harsh or unreasonable exercise of administrative discretion. For that, the need for administrative courts has been felt even in the Scandinavian countries where besides the Ombudsman there are such courts at various levels. A suggestion has been made that even in the common law system there should be a General Administrative Appeals Tribunal not only to hear appeals against other tribunals but also against ministerial decisions of a harsh or unfair character in fields where no independent tribunal or enquiry procedure is provided. Some advocate an Administrative Division of the High Court with a blanket appellate jurisdiction over all types of administrative decisions. Still another proposal has been to have a Administrative Commission on the lines of the French Conseil d' Etat with two separate divisions—judicial and investigation. The judicial division is to be constituted by drawing persons from the higher ranks of the judiciary, the civil service and the industry, trade unions, professions and universities. The investigating division would be a servicing organ of the judicial division and would send up cases only if, after conducting an inquisitorial form of inquiry they are not able to persuade the department to provide adequate redress. These and similar proposals are criticized on various grounds but fundamentally the fear is that this may disintegrate an already well established and unified judicial system without providing in its place a machinery of comparable independence and public confidence. In a country like India where the infra-structure of administration is more on the French pattern than the English, and the resources of most of the citizens are inadequate to pursue an 'adversary' form of appeals and review, the Continental system of administrative review, based on an 'inquisitorial' approach, offers promising possibilities. In any case, one can start with the British pattern of administrative tribunals around some sort of a central 'watchdog'

Council or a Commission to see that at least procedural injustice (including delay) is avoided in the administrative process.

CITIZEN INFORMATION AND ADVICE SERVICES—IS IGNORANCE A BLISS?

Citizen's Advice Bureau

The relation between the citizen and the authorities is to a great extent embittered and misgivings created as a result of lack of information and proper communication. The citizen is perplexed in the administrative state by the plethora of authorities, laws, rules and regulations governing the rights and benefits to which he is entitled. The problem has been tackled in the West through free information and advice services arranged mostly by voluntary agencies so that the advice tendered and information supplied to the citizen appear to be unbiased, independent, impartial and non-political. Perhaps a brief description of the Citizen's Advice Bureau in England will illustrate this. The Bureau originated during the upheavals of the Second World War when the citizens had to be given consolation, advice and help. Voluntary social workers provided by the various organizations established advice offices on the premises lent by the local authorities. The National Council of Social Service guided the central and branch offices of the Bureau. The latter received complaints and processed them through the regional and central offices and answered queries on air-raid shelters, compensations, etc. After the cessation of hostilities, the resettlement problems were taken over by the Bureau's offices with the Resettlement Advice Officers. The Bureau and its branches remain in constant touch with the Law Society and other professional and business organizations and make expert advice available to the citizen. In complicated cases the Bureau refer them to the right person or organizations. At present the C.A.B. advises the citizens on their various problems in relation to the central and local authorities, social insurance benefits, letting, buying or selling of houses, seeking employment and grants, home budget, hire purchase problems, etc. Seventy per cent of the staff are volunteers and consist mostly of housewives who devote their afternoons attending to the citizens in the C.A.B. offices. There are 450 branch offices and practically every city with a population of more than 10,000 has a branch office. These offices also advise and help the citizen in procuring free or subsidized legal aid and advice. The central office at London have their advisory officers who go round the country to organize and offer guidance to the branches. The central office also trains the volunteers and through circulation of bulletins, note-sheets, keep the branch offices up-to-date on the various points on which their advice is generally sought. These

offices handle more than a million queries a year. The whole movement is financed by a central grant of about £ 50,000, and voluntary contribution of £ 16,000 annually. Apart from the general supervision of the National Council of Social Service, there is no interference either by the local authorities (who give them funds to run Advice Offices in their locality) or by the Central Government. The C.A.B. is consulted by the government on general policy matters also.

Some of the bigger corporations in the U.K. and other countries have established City Information and Advice Bureaus working under the Chief Public Relations Officer and guided by Public Relations Committee of the Council. The Bristol Bureau (U.K.) has extended its services to consumer advice also. It also receives complaints against the Corporation itself which are taken up by the Public Relations Officer with the concerned department. New York has a Mayor's Information Centre with mobile units visiting various localities after advance intimation, to discuss various problems of the citizens, their suggestions and complaints.

In many Japanese municipalities, a citizens' counselling room is provided to deal with all types of problems which the citizens might bring relating to governmental and even private matters. Similar units have been set up in Turkey also. In Spain, there is an Administrative Information Centre for the citizens in the Prime Minister's office. It is understood that recently through voluntary efforts alone, a Citizen Advice Centre[9] has been opened in East Patel Nagar in New Delhi where volunteer advisers attend to the problems of the citizens who approach the Bureau's office during scheduled hours in the evening. It is expected that by co-operating with the local authorities and government, the C.A.C. will act as a window through which the authorities and the common man will appreciate the problems of each other.

Legal Advice

Even when the citizen has all the facts before him through governmental or voluntary information services, he will still need professional legal advice to guide him. In the Western countries, attempts have been made to make such advice available to the poor either free or at a nominal cost. Proper advice in the beginning may also avoid

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[9] The Centre provides free information and advice in confidence to any citizen on any question asked. It is declared to be an independent, non-sectarian and non-political organization. Information and advice is given on travel, education, training, employment, civic, local and national matters, property and land, service questions, war pen sions, marriage and divorce laws, etc. The citizen is also helped in approaching the righ agency, in completion of forms and in having knowledge and use of the appeal machinery

worthless and costly litigation. In the U.S.A., legal advice service has been voluntary. Most of the cities with more than 100,000 population have legal advice centres run by the Legal Aid Societies coordinated by the National Legal Aid Association. Some social welfare agencies supported by voluntary contributions also run legal advice centres. Law graduates working under expert supervisors and the final year law students give part-time service to law school 'clinics' attached to their academies or work in poor areas along with Poor Man's Lawyers. The Bar Association, Youth Organizations and Legal Aid Societies have also set up Neighbourhood Lawyer Firms which not only tender legal advice but help in drafting applications and negotiating settlements.

In Poland, Norway, Romania, Belgium, Sweden, Denmark, Argentina and Japan free legal Advice Bureaus are maintained by the State and the municipalities. In France the 'consultation de charite' offers free or inexpensive legal advice. In Paris, two such centres are run which are open twice a week. In Germany, the Legal Advice Centres are manned by the members of the Bar Association on a rota system. In the U.S.S.R. consultation offices give legal advice free to all. In that country as in Yugoslavia, the judges of original courts once a week sit in legal advice clinics drawing up for the citizens petitions for higher courts and advising on administrative litigation.

In the U.K., Poor Man's Lawyer Centres and voluntary societies like the Law Society, Cambridge House, Mary Ward Settlement, etc., have been providing free legal advice to the indigent. Some of these centres were run at the church halls, social service centres, etc. The 'means test' (test of poverty) for legal advice was not so rigid as in the case of legal aid. Even after the promulgation of the Legal Aid and Advice Act in 1949, it took ten years to have a statutory legal advice scheme financed from a Legal Aid Fund fed by government contribution and proceeds of costs awarded in successful litigation. At present both the voluntary and the statutory schemes[10] are in operation. Panels of lawyers are maintained by the Citizen Advice Bureau offices, Law Society branches, etc., which direct the citizen to an empannelled *lawyer of his choice*. These advice centres are organized by the Area Committee of the Law Society. They sometimes arrange peripatetic legal advice teams to cover the rural areas. Some local

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[10] Under the voluntary scheme *anybody* on payment of £ 1 (Rs. 18/-) gets legal advice for half an hour on any aspect of English Law, including those related to tribunals, statutory enquiries and administrative process. Under the statutory scheme a recipient of supplementary benefits (national assistance) gets *free* legal advice. Others with income not exceeding £ 7/10 per week has to pay half a crown (Rs. 2·35) to the solicitor who gets an additional sh. 17/6 (Rs 15/-) from the Legal Aid Fund.

authorities maintain their own legal advisory services. The number of persons using the various statutory legal advice centres was 58,000 during 1963-64. The Law Society is at present examining the working of these centres for further improvement.

The usual objection against legal aid and advice that it encourages an anti-social tendency of wanton litigation may not be valid at least in case of free legal advice. At its worst, legal advice, may help in exposing the harsher features of administrative procedure or decisions, which may flourish only because they go unchallenged in their application to the simple and the poor. At its best, a system of constructive legal advice may by initiating negotiations and proper guidance avoid unnecessary litigation. Also, the legal advice centres, by being in touch with the sorest points of administration's impact on the citizen, can act as an indicator of the public's reaction to administrative policy and procedure. By proper feedback, these centres can persuade the authorities to take timely remedial measures before much harm is done.

In the developing countries the legal advice services can well be integrated with the rural development programme at the initial stages. The rural development staff radiating from the 'block' headquarters can with proper training provide a good information and referral service to the citizen. In Japan, the 238 branches of the Legal Affairs Bureau are well supported by 9,000 unpaid Civil Liberties Commissioners (only 4 per cent of whom are lawyers) who after a short training course advise the local population on the breach of their rights. Likewise in rural centres in countries like India, a Neighbourhood Citizens' Counselling Room can be started on the lines of the British Citizen's Advice Bureau centres. The District Bar Associations or similar bodies at the district level can be persuaded to give voluntary free consultative service to these agencies. In these centres, the local lawyers who have their familial connections with a group of villages, while visiting them on professional or personal grounds can act as Neighbourhood Counsellors on certain days of a week. The law students in these countries, after taking their final examination may be attached compulsorily to the rural legal advice centres under the supervision of a senior lawyer for at least six months during which they should also act as Poor Man's Lawyers. Such an attachment can be made a condition for the award of a degree or permission to practice. This will go a long way in enlightening the young lawyers on the realities of rural administration and the sociological aspects of their profession.

Legal aid and advice should be free below a certain income limit, subsidized up to a higher limit beyond which it should be fully charged. These limits should be related to the income structure. The local and state Bar Associations may be coordinated under a National Bar Association which should prescribe a code of ethics and professional obligation for the members of the Bar for offering free legal services to the poor. Attending to a free Legal Advice Clinic or Centre for at least an hour a week, may be made a professional obligation.

Communication by Consultation and Complaints

Most of the Western governments operate in terms of a 'face to face' society where the government policy is formulated, implemented and modified in a state of continuous dialogue, debate and negotiations between the government and the people. In any big scale organization whether governmental, professional or of interest groups, formation of an oligarchic leadership to some extent is inevitable, howsoever democratic the organization may be. The constituents also sometimes like to be governed by an 'elite' group, subject, of course, to the retention of the ultimate power of dismissing and changing their governors. In the calculus of power, however, social, political and traditional disciplines play a large part in keeping the 'elite' responsible and responsive and the constituents law abiding. It is said that, howsoever critical and sarcastic they may be, the British public loves its civil service and is proud of it. There is a subtle 'rapport' between the public and the civil servants nurtured through mutual confidence and a cultural equation which is facilitated by the small size of the country and the homogeneous nature of the society. Effective communication between the people and the government seems to be both the cause and result of this success.

Communication by consultation has become a normal feature of all sophisticated governments. Consultation takes place through the various advisory committees consisting of experts and such representatives of various interest groups like the trade, industry, labour, local authorities, etc., as are nominated either by the minister or by the groups themselves. These committees in Britain are mostly advisory but is is seldom that their advice is turned down. Sometimes these committ tees can even take executive decisions as in the case of the Air Transport Licensing Board. Some tribunals like the Civil Service Arbitration Tribunal or the Industrial Tribunals have representatives of the employers and the employees under an independent chairman and give more or less binding decisions. In the economic and industrial field, representatives of the industry, labour and other expert bodies

take momentous decisions at national levels in the economic and development councils and the various industrial committees. Few important decisions affecting the local authorities are taken without consulting the various associations of local bodies. In the field of national insurance and industrial injury benefits, the advisory councils have to be consulted compulsorily. Agricultural subsidies cannot be fixed except after consulting the National Farmers' Union. The general service conditions of the employees cannot be changed except after consulting the Whitley Councils or the Trade Union Congress and the various trade unions as the case may be.

Pressure Groups—As such consultations proliferate, the various interest groups feel the need to federate together to form national bodies. The Confederation of the British Industries (C.B.I.) took shape a few years ago with themerger of the National Association of British Manufacturers, the Federation of British Industries, the British Employers' Confederation and the Industrial Association of Wales and Manmouthshire so that there can be one effective national voice to make an impact on the national government so far as industry is concerned. Even the biggest ten nationalized industries have now become members of the C.B.I. Similarly, the Trade Union Congress (of which only the trade unions and not an individual can be members) is the mouthpiece of 170 trade unions which between them cover 8·86 million out of 10 million trade union members. The common feature of these interest groups is that they are emphatically *non-political* so that they are able to communicate with the government irrespective of the party in power. Further, they have their ramifications at the regional, district and village level so that they are in touch with the grass roots. Each level is represented at the next higher level through delegates. At the headquarters say of the Trade Union Congress there is the General Council (36 members) elected by the Congress (1,000) of trade union delegates and the work is carlred on through various functional committees aided by first class paid research staff and a permanent secretariat. These bodies have formal and informal contacts with the various levels and departments of central and local governments. They disseminate technical and administrative information to their members and take up individual cases also in case it has a general topical interest. Their approach is practically free from doctrinaire attitude. They function on rational and functional lines. The General Secretary of the T.U.C. or the Director General of the C.B.I. and their Presidents, occupy positions in public life no less important then those of any permanent secretary or a minister. These bodies are sometimes consulted by the Government confidentially on draft bills or proposals long before they

are published. When Mr. Michael Stewart replaced Mr. George Brown as Chairman of the National Economic Development Council (the British form of a Planning Commission) he made clear his wish to use the Council as the means by which the government could consult industry at the formative stages of policy making. Another feature of these representative groups is that while representing group interest in national bodies, they seldom lose sight of their social responsibility towards the general public. In some respects they exercise a sobering and sometimes disciplinary control (by licensing production or private practice and by imposing penalties) over their constituent members as in case of the various commodity boards (Potato Marketing Board, etc.) or the General Medical Council.

Consumer Councils—Social control over the British nationalized industries can be exercised very broadly by statutory policy directives of the minister, and in details *inter alia* through the various statutory Consumer Consultative Councils for each industry. In cases of the Electricity and the Gas Boards the chairman of the consultative council in each area is also an *ex-officio* member of the area management board. In case of the Coal, a member of the management board sits in the Consumer Council. These Councils or Committees of consumers consist of 20 to 30 members nominated by the minister from the various groups like the local authorities, agriculture, commerce, industry, housewives, etc. The Councils have their own secretariats and submit annual reports direct to the concerned minister who lays them before Parliament. The various problems of the consumers about the quality of service, delay, tariff rates are discussed in the Councils when a nominee of the management board is also invited to explain the board's point of view. If not satisfied with the explanation, the Council takes up the matter with the minister and publicizes any cussedness on the part of the management board. The minister meets the chairmen and deputy chairmen of all the area councils once a year.

The Transport Users Consultative Committee has a central and 11 area committees and deals with matters affecting railway services and facilities and closure of uneconomic railway lines. The citizen, if not satisfied with the quality of service or a proposal to close a railway line, moves the Committee which in certain cases hears the objections in public and reports to the minister who takes a decision after taking all factors (social, economic, etc.) into account.

Voice of the Employees—The concept of consultation and negotiation is highly developed in the U.K. in the civil service sector. The various grades of civil servants including those in the administrative

class are members of very strong associations and unions which have direct access to the minister. Cases of individuals[11] are taken up by the associations at various levels while the general conditions of service are thrashed out face to face in the departmental and National Whitley Councils where the representatives of the staff and the officials sit on a 50-50 basis under the chairmanship of the permanent secretary. The representatives of the staff are elected by the staff associations and *need not be civil servants.* The Councils function through various standing committees (relating to promotions, postings, staff welfare, accommodation, automatic data processing, staff structure, recruitments, etc.) which are always consulted before a final decision is taken by the government. In case of disagreement between the staff and the official sides, the matter can be taken up by either party to the Civil Service Tribunal whose decision is binding. There is complete understanding and trust between the staff associations and the official hierarchy. The associations have complete faith in the decision of the permanent secretary and so does the permanent secretary always take the staff associations into his confidence. It is rarely that a permanent secretary can continue in a department by antagonizing the staff side of the Whitley Council. The staff associations maintain paid professional and full-time staff financed by membership subscription.

In some industries like Coal, Railways, etc., joint consultative committees have been set up at various levels to consider any matter concerning operation of the industry. Representation and participation of workers in management is well known in the socialist countries like Yugoslavia, the U.A.R., etc. In Czechoslovakia, Denmark and France, failure to consult specified interest groups results in invalidation of administrative decision. In Czechoslovakia the various Citizens' Committees have wide spread ramifications and advise the administration at various levels. The lower committees report to the higher ones. These Citizens' Committees are helped by voluntary support. In Poland and the U.S.S.R., consultative commissions and auxiliary councils elected by the People's Councils advise administrative departments and sometimes issue binding decisions. In Yugoslavia, administrative departments are bound to inform social and

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[11] Col. Lohan as a civil servant in the Ministry of Defence was the Secretary of the Services, Press & Broadcasting Committee till 1967. The committee consists of representatives of the Armed Forces, Press, Radio, and T.V. It can issue D-notices (without any legal force) on defence matters indicating any particular or class of information which should not be published in the public interest. The Press can also consult the Secretary before publishing any information on defence. The conduct of the Secretary Col. Lohan was criticized and certain accusations were made against him by the Prime Minister in the House of Commons as a result of which Col. Lohan had to subsequently resign. But through the Association of Professional Civil Servants he got a tribunal appointed to enquire into the allegations. Hearing took place. Col. Lohan was represented by the General Secretary of the Association. The tribunal cleared the character of Col. Lohan.

political organizations like the League of Trade Union, etc., on all schemes affecting them along with all relevant documents and information. The departments are bound to take their recommendations into account and inform them of the reasons why their recommendations could not be accepted.

Public Relations—The art of communication has been professionalized into the science of public relations which occupy a pivotal position in the management structure inside or outside government. The main objective of public relations in government is to give publicity to governmental action without being propagandist, explain the general policy and activity of the Government, educate the citizen in his rights and duties in a non-political manner and what is most important, apprise the department of the public's reactions and about the public image of the department. The Central Information Office in the British Government has a social survey division which continuously studies public reaction to governmental policy. The Western system of a reception-cum-information office where any citizen can have guidance and information, considerably helps in humanizing administration. In the U.S.A., during the Second Great War, a Central Information Office was opened to give information under one roof on any sector of administration.

In West Germany, the civil servants and the citizens are invited to give suggestions for administrative improvement and cash awards are made. In Italy, the Office of Administrative Reforms conducts periodical competitions for the simplification of administrative procedure. In Yugoslavia, members of municipal assemblies inform the citizens of their activities in electors' meetings.

Complaints—Adequate facilities for the reception and processing of complaints are necessary not only on humanitarian grounds but also because the complaints can give a faithful image of how a particular policy is having an impact on the citizen. The Postal Department of the U.S.A. conducts research on complaints. In some of the East European countries, there are detailed codes for the disposal of complaints within prescribed time limits. Any delay is severely dealt with. The heads of departments are personally responsible to ensure proper handling of complaints. No period of limitation is prescribed for complaining. One need not establish personal or direct interest in such complaints. Section 50 of the British Police Act lays down that the police authority must keep itself informed as to how the complaints from the public and the police staff are dealt with by the Chief Officer of Police. In the U.S.S.R., the Procurator General (who is an appointee of the Supreme Soviet) and his 2,000 Procurators

continuously look into complaints from the public against the administration at various levels. In the U.S. Department of Agriculture, the Inspector General meets the complainants personally. In Haifa, all senior officers are obliged to spend one week every year in the complaint offices. In the U.S.S.R., practically every department has a complaint cell.

Personal interviews to hear complaints is the most direct method of communication with the aggrieved. In Denmark, the ministers meet the public every Thursday morning. In Japan, the ministers and the civil servants go out into the countryside to meet the people. In Poland, the heads of departments hold weekly meetings to hear the complaints. In the U.S.S.R., the Chairman and the Deputy Chairman of the Presidium of the Supreme Soviet personally see the citizens with their complaints. Some of the State Governors in the U.S.A. started the practice of meeting the citizens on their complaints. In Philippines, a Presidential Complaint Committee which functioned between 1953 and 1958 received 128,000 complaints in two years. In Japan, the Administrative Inspection Bureau of the Administrative Management Agency was created for a similar purpose in the office of the Prime Minister in 1948. The Director General A.M.A. is a member of the Cabinet. Between 1955 and 1960, the Bureau handled about 10,000 complaints. The Bureau has eight regional and 41 district offices and functions in collaboration with about 3,600 local administrative counsellors who are unpaid volunteers. They receive complaints direct from the public and sometimes dispose them of themselves. In Yugoslavia under the Constitution of 1963, the citizens were given the right to petition and get replies. The Cabinet also has its own Bureau of Petition and Proposals.

Press—The Press in the U.S.S.R. and the East European countries have taken up the cause of the individual citizen in a very businesslike manner. In these countries the newspapers maintain full-fledged Bureau of Readers' Complaints handling correspondence, investigating and contacting the departments and even setting apart one day a week for personal interviews with the complainants and tendering advice to them. The Administrative Procedure Codes in these countries have recognized the roles of the Press, T.V. and Radio in taking up the cause of the aggrieved citizen. In Poland, it is obligatory for the administration to give full explanation on any adverse criticism in the Press. In the U.A.R., the newspapers fix a particular week or month for receiving suggestions from the public. In the U.S.S.R., the Pravda receives 200/300 letters daily against administrative decisions and narrates unredressed grievances after they have been unsuccessfully pursued by the Press. The editorials, T.V., and Radio also have

programmes on grievances. In Poland, about 80 to 90 thousand persons get oral advice from the newspaper lawyers. The Polish Radio's programme 'Wave 56' broadcasts individual grievances. Their Bureau of Letters and Complaints receive about 150,000 letters annually.

In the U.K. also newspapers like the 'Daily Mirror', the 'People', etc., maintain free advice bureaus and publish individual grievances of topical interest. They forward the complaints for the comments of the department and publish the results if they have any news value. The ministries and the departments generally take such communications from the Press quite seriously and may sometimes concede to the complainants what they would have otherwise withheld. The B.B.C.T.V. also sometimes delineate administrative callousness and hardships caused by administrative rules, through feature programmes like "Cathay Come Home"[12] or series like "Cause for Concern", etc., which even though centred round an individual case have very wide connotations. How far they can go, in exposing defects in administrative policy or procedure, will depend on the degree of courage and independence for which the British Press and broadcasting media have so far been renowned.

EPILOGUE

In this impressionistic "tour d' horizon" of public administration in some of the Western countries, a few contours seem to emerge spontaneously against the frame of reference of Indian experience. It may not be necessary to force an Indian analogue to every administrative feature in every other country. The points which, however, press themselves to an Indian mind, may be a pointer to some of the missing links in our own set up or to the need of evaluating certain mores which may not be in tune with the spirit of the time. These impressions should have no more relevance or validity beyond the limited objective of helping us to conceptualize the structural and philosophical bases of modernizing public administration in the Indian context.

Back home, one, however, cannot help noticing with added poignancy the wide chasm of poverty which separates the passive multitude of people from the minuscular minority who only can be

[12] The film (shown twice in 1967 on BBC-1 channel) traced the hardships of a homeless young couple and their children, with the depth and realism of Satyajit Ray style and without any gimmick or melodrama. It was a moving picture. Within a few days it bestirred the whole nation from Whitehall to the Parish Councils. Local authorities overnight changed the rules which separated the husbands from their wives in the temporary homes for the de-housed couples. "Cathay" became the nation's symbol of the courage and dignity of an oppressed and homeless British wife and mother.

said to actively participate in public life. Mere voting is not participation as mere kicking cannot be playing football. Foreign observers have noted that poverty can be so painful that beyond a certain limit it can brutalize the feelings of the observers and mercifully perhaps deadens the sensitivity of the observed. In the Bengal famine when people were dying like flies, the living used to step over and pass by the dead and the dying in the streets of Calcutta with as much equanimity as if the simile of flies were actually true to life. One wonders what is real—the suburban slums of Bombay and Calcutta or the ultra modern offices and residences of the Marine Drive and Chowringhee. Yet the two exist—one as a problem the other as an aspiration. Public administration must bridge the gap and scale the emotional and cultural wall that separates the two worlds with the coalface of despair on one side and of indifference on the other. The civil services in the developing countries are said to be lacking in traditions and an 'elan' which inspires the public servants in the West and stimulated the old colonial services. Identification with a cause transcending immediate physical and temporal interests is perhaps as necessary for the civil services in peace time, as it is for the soldier in the battle-field's pit of death. The cause may be the country or an empire or the crown or the republic. Nearer home, the cause may be a crusade against privation and poverty and a commitment to an unbounded passion for the people. Such an ethos can provide a secular framework for operational efficiency for *production and more production* to quench poverty, while also developing an attitude of sympathy, courtesy and consciousness of human dignity at the more prosaic levels of administration. Such a concern for production and for the poor can impart both a professional and a value content to a vocation which can otherwise be otiose and life-consuming. Two questions will crop up in the mind of the civil servant at the end of the day. When so many of my people are going to sleep with less than one meal during the last 24 hours and are not sure of the next one, have I given to the society in shape of service and work as much as I have taken from it? Secondly, have I done unto those who have come up to me for help, guidance and succour as I would myself wish to be done by? The moral justification of his enjoying the privileges and responsibilities of a civil servant in a poor society will lie in the honest answers his conscience gives.

Operational efficiency and time consciousness can be inculcated through training and discipline. The Armed Forces have amply proved it in the fine specimen of crisp soldiers they turn out from the crude raw material of uninstructed villagers. How can, however, the right attitude towards the poor and the deprived be created and

sustained in our young civil servants whose cultural, domiciliary and economic environment seem to draw them farther and farther away from the ways of life of the poor and the vacuousness of the helpless. Impoverishing the civil services economically and, therefore, qualitatively will bring about total disaster and this is nobody's case that only a typhoid patient can be the best doctor to treat typhoid.

Nevertheless, one has to know, if not live through, the realities of poverty in order to appreciate the problems of the poor. The doctor has to know the symptoms of pain and agony, the public health expert has to know his social medicine, a good industry has to do marketing and consumer research, before any of them can hope to succeed professionally. For the public servant, the public is the patient, consumer and the master rolled into one. Being 'au courant' with the feelings and problems of the public is the professional obligation of any public servant.

One feels that vicarious confrontation with poverty during the various stages of their career can draw out the best in our civil servants. Gandhiji and Pandit Nehru had their apprenticeship in greatness in their emotional involvement with the poor, the miserable and the helpless. Hewing of wood and drawing of water for a few days without the assistance of servants, even while on picnic or gardening is good both for physical and moral health. Travelling for a change in the crowded buses and third-class trains, standing in the queue for a ticket or waiting the whole day to get an interview with an officer only to be sent away by him with fleas in one's ears, trying to get one's car licence renewed or to draw one's ration like any other common citizen will give our civil servants a first hand idea of the ham-handedness of the administrative machinery in relation to the common man. Every minute spent will be well rewarded in social and administrative revelations.

Bertrand Russel in his Nobel Prize acceptance speech stated that most officials (and he was not speaking of the developing nations alone) prefer to say 'no' rather than 'yes' since they derive great feelings of satisfaction and power from turning someone down than giving him what he wants. The West (including the U.S.S.R. and the East European countries) is fast evolving extra governmental non-political machinery for countervailing these tendencies. In the East a beginning has to be made within the administrative machinery. The appeal is primarily to be made to the mind and the heart inculcating the twin habits of efficiency for production and compassion for the poor. In an all out fight against poverty let there be an unforgiving test for efficiency and an unashamed partiality for the poor and the forgotten.

MANAGEMENT OF PUBLIC UNDERTAKINGS IN INDIA*

M. G. Shah

A COUNTRY benefits a great deal by the public sector enterprises only when they are managed efficiently. It loses a great deal, on the other hand, if scarce financial resources and scarce managerial talent are wasted. In India, great enthusiasm is seen at the time of allocating resources to the industrial and commercial projects in the public sector but the bitter truth is that sufficient attention is not paid to the efficient management thereof. Millions of rupees have been invested in public sector projects but unfortunately their performance is far from satisfactory. The Neyveli Power Project in the South, Heavy Engineering Industries Corporation at Ranchi, Steel Plants at Rourkela, Bhilai and Durgapur, etc., are some examples. The poor performance of some of these can be attributed to inadequate assessment of demand but most of them could run efficiently and earn sizable profits if certain problems could be solved immediately. The author proposes to examine the most important of these problems in this article.

The success of any enterprise, whether in the private or public sector, depends upon two things: (*a*) organization and structure of the enterprise, and (*b*) quality of its personnel. The organization and structure of the enterprise should be conducive to its efficient management and the quality of its personnel should be the best available. Both these things are necessary. A badly designed organizational structure presents obstacles to high performance no matter how hard working and able the managers are, and *vice versa*, if the organization and the structure is excellent, it cannot be run efficiently if the quality of management is not of the required standard. Therefore, the problems of the public sector enterprises may be examined with respect to these two areas.

ORGANIZATION AND STRUCTURE

The organization and structure of a large number of public sector enterprises in India is not generally conducive to efficient management.

* This paper was prepared by the author during his fellowship in 1967 at Asian Institute for Economic Development and Planning (of the United Nations), Bangkok.

The main drawbacks in this regard are discussed in the following paragraphs.

Board of Directors

The Board is appointed by the appropriate Government, *i.e.*, either the Central or the State or by both. Generally, the practice is to appoint such a Board for a term of three to five years. In the private sector, the membership of the Board remains more or less unchanged; though there is a provision for retirement of a certain proportion of directors at certain intervals but they are eligible for re-election. Continuity in policy making is ensured in the private sector. But this is mostly not so in the public sector because of the short term for which Board of Management is constituted. Again, because of its short term, the Board is not generally able to devote much attention to evolving basic policies on a long term basis. It would generally be interested, in short term solutions by way of expediency. It would not be interested, for example, in changing the recruitment procedure, in adopting modern methods of management like Industrial Engineering in modernization and rationalization of various procedures, etc. Again the Board of Directors consists of officials and non-officials. Non-officials are largely on a part-time basis. They are mostly politicians. It cannot be said that they possess the required outlook for managing an industrial or commercial undertaking efficiently. Their qualifications and experience, in many cases, would not entitle them to hold important positions in the top management of an enterprise with the result that there is a wide gap between the knowledge and outlook of the full-time permanent managers and that of the part-time non-official politicians who are appointed for a short time. This gap is a great handicap in the public sector against implementation of new ideas and modern methods of management. It is true that persons having close touch with the people and doing social service in the society can bring their experience and knowledge to bear upon the policy decisions, but this is not enough. What is also required is the correct outlook and a scientific attitude towards management.

Top Executive

Similar are the difficulties with respect to the top executive. The Managing Directors or the General Managers are normally appointed from outside the enterprise. Mostly they come from the Indian Administrative Service. It is true that many of them are intelligent and hardworking and it is not difficult to train them in the art of management of public sector enterprises. Most of them are already managing men in their respective spheres of duty and those who have the correct

aptitude and scientific outlook can learn without any difficulty the various facets of management in a public sector enterprise. The main problem here is that they are appointed in public enterprises only for a short period. They are withdrawn at the sweet will of the appropriate Government. In majority of the cases, by the time they know the problems, get acquainted with modern management techniques and begin to implement the same, they are transferred to other jobs. The continuity is lost. The Board of Management also changes periodically. The frequent transfers of the Managing Director or the General Manager further aggravates the situation. The creation of the Industrial Management Pool in 1957 was meant, among others, to remedy this deficiency. But, as very ably analysed by Dr. Paranjape of the Indian Institute of Public Administration in his study of the Pool, the scheme has not succeeded for several reasons, an important one being the rigidity of Government approach.

In certain cases, the Chairman is a politician or a social worker and is part-time. This leads to a very difficult situation especially when the Chairman is aggressive in nature or politically powerful. The Chairman feels that he is the head of the organization and, therefore, worries about details of the functioning of the enterprise, thereby rendering the chief executive officer ineffective. It is the latter who is the executive head of the enterprise. To quote Mr. M. D. Bryce: "He must have the authority as well as the responsibility of his position. He must be free to manage or he cannot be manager. Chosen for his competence as a business executive as well as a technician, he must make his own decisions within the general policy directives of his board. Having the power, he can then be held responsible for the results of his actions and for the total success of the enterprise. Within broad limits, he should be allowed to adopt any form of organization he feels will help him secure the results prescribed and to hire managerial, technical and other staff he feels are justified. He should be able to organize the work and the workers in the manner he feels will bring the best results. As owners, Government cannot afford to give a General Manager less than adequate power. To do so is to relieve him of the responsibility for results and the secret of industrial control and the achievement of industrial success is that the General Manager must be accountable for results. If there is failure, there must be no doubt as to whose fault it is. Likewise, if there is success the manager is entitled to claim the credit and should be rewarded generously for his achievement."[1] I entirely agree with these observations

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[1] M. D. Bryce, *Industrial Development: Guide for Accelerating Economic Growth*, New York, McGraw Hill, 1960, p. 72-73.

of Mr. Bryce. However, these principles are hardly understood by a part-time politician Chairman.

Objectives

The next problem is of objectives. In the private sector, the objective of everybody from top to bottom is only one and is known to everybody. This objective is making maximum profits. Everybody strives his level best to achieve this objective. This is not so in the public sector. There is more than one agency to judge the public sector enterprise. In addition to the Board of Management, consisting of mainly part-time non-officials, there are the members of the Legislature, the Council of Ministers, the audit authorities, the Legislative Committees, the Fourth Estate and the people at large who judge the success or otherwise of a public sector enterprise. Every one of them has different standards of judgment, which again change from time to time. Many times judgments are pronounced by a layman without appreciating properly the facts of the case. To-day, in a large number of cases, the criteria to judge the success or otherwise of a public sector enterprise are not clearly defined in specific terms and accepted as such by all the different agencies of Government. The emphasis placed by a governmental or legislative authority on a particular aspect often leads consciously or even unconsciously the top management to direct their actions towards achieving those weak points which were stressed at a given time. To illustrate from a case of a State Road Transport Corporation, a member of the Legislature complains against the cleanliness in a particular bus station and judges that the enterprise is not functioning well. Or, a fatal accident happens near the town of another M.L.A., who concludes that something is wrong with the Corporation. Again, if a special bus is not given to the students of a school or college, the Press feels that the Corporation is not satisfying the needs of the students and is, therefore, inefficient. Though these points are individually important, the standards of judgment should be more basic and real. Some of the objective criteria which should form the basis for evaluating the performance of a State Road Transport Corporation may be cited: fleet utilization, vehicle utilization, bus staff ratio, KMPL (kilometers of journey per litre), tyre mileage, cost per kilometer, earnings per kilometer, net profit, rate of accidents and breakdowns, percentage regularity in arrivals/departures, the number of complaints per lakh of passengers, etc. Absence of identity of objectives to judge the success or otherwise of a public sector enterprise greatly handicaps in motivating the top management to utilize their energy fully to achieve definite ends.

Government Control

The next problem is with respect to achieving the synthesis between the required Governmental control and the much-needed autonomy of a public sector enterprise. Though the need for autonomy is conceded in principle by the Government, *in practice* the trend has been towards greater governmental control and supervision. Parliament has also, in recent years, become more alive to public accountability of the state enterprises. On the other hand, the public sector enterprises need and want almost complete autonomy in their functioning. This continuous battle is being fought, particularly since the beginning of the Second Plan. There are a number of reports suggesting various solutions to this vexed problem but nothing substantial has yet been done.

Government, whether at the Centre or in a State, is accountable to the people through the Legislature for every rupee spent out of the Consolidated Fund of the Centre/State. The Public Accounts Committee and the Estimates Committee (now, however, the Committee on Public Undertakings in the case of the Centre) examine respectively the expenditure and working of the public sector undertakings on behalf of the Legislature. Legislative control over public sector enterprises is also exercised through questions, motions of various kinds, debates on the Demands for Grants, discussion on annual administrative reports of the Ministries and the individual reports of the various public sector undertakings, etc. The requirements concerning audit also act as a control mechanism.

Government control is exercised through the appointment of Board of Directors at periodical intervals, appointment of the top executive, the requirement of obtaining Government sanction with respect to creation of posts carrying pay above specified financial limits and determination of the pay structure and its revision, approval of the budget, fixation of prices of goods/services, giving of directions in a number of fields, such as labour relations, provisions of amenities, etc. Further, in many enterprises, top managers cannot take decisions on certain issues without the concurrence of the Financial Advisers.

Let me again quote Mr. M. D. Bryce. He says:

"From ministers on down, those in Government who control industrial enterprises either directly or through some facet of the adminisrative process, usually have an enormous reluctonce to

surrender any part of their connection with the projects. They feel that close control and supervision are necessary to secure the results they would like, but can never attain under a system of rigid controls. They feel that by enforcing civil service pay scales on an industry, they are preventing unfair discrepancies in earnings, when actually, what they are doing is preventing the industrial projects from getting the people they need. They feel that by making the Government purchasing agency procedures apply to an industrial plant, they are saving money; actually what they do is delay purchasing and frequently force the project to lose a market advantage. They feel that, by going over current project budgets, and even by reviewing every voucher before payment can be made, they are safeguarding public funds; actually they are ensuring the loss of public funds in deficits made inevitable because they have killed the initiative and commercial responsibility of the managers of the enterprise.

"The real control available to the Government as an owner of an industrial plant is the same as that for the shareholders of a private industrial enterprise. It lies in the appointment of competent directors who in their turn will appoint a capable General Manager and establish sound policies to govern the conduct of the business. The test of whether the control has worked lies for the Government, as for any owner, in a regular periodical review of results. Such a review is based upon an examination of adequate and timely annual reports and financial statements and the report of the auditor. The owners have the further right to question the General Manager and to call him to account for any shortcomings of his stewardship. If results are not satisfactory, the ultimate remedy is to change the directors and for them it is to change the General Manager.

"Between the times when the reports of the enterprise are examined and the General Manager is questioned by the Minister in charge or by the cabinet representing the public, control rests in the hands of the directors. They should generally be appointed by the Minister in charge and should be removable by him for cause at any time. They should be chosen for their business experience and their ability to make a success of a commercial venture. They should then be given the freedom to run the business. Of course, this should be in line with any general policy directives the Government wishes to establish through the cabinet. The directors should limit their participation in the enterprise strictly to policy matters and avoid any interference in the routine

management of the business. They should have to approve any large capital expenditure and should decide important questions of purchase, wage or sales policy and other basic policy matters. Beyond that they should leave the manager alone so that he can manage. He should attend their meetings to answer questions and explain his problems. The chairman of the Board, like other directors, should have no executive powers. As far as the enterprise is concerned, the chairman and the directors should be part-time officials. If directors are full-time officials, they are almost certain to get into matters of administration which should be left to the Chief Executive."[8]

The above remarks of Mr. Bryce equally apply to the conditions of India where directors are part-time both non-officials and officials *ex-officio*. Where, however, the Board of Directors are appointed from within the organization, as is very often the case in the U.S.A., then the President and Vice-Presidents would be full-time executives and they should have full executive powers.

It is my impression that the quality of top people in the private sector is not generally in any way better than that in the public sector, but it is the organization and its structure that is largely responsible for the marked differences between the performance of a public sector enterprise and that of a well managed private enterprise. In the latter, the middle and the top managers have not to worry about the Public Accounts Committee or the State Government or the Accountant General, nor are their hands tied in taking decisions in accordance with the wishes of the Financial Adviser. As the objectives are very clear, the managers in the private sector take correct and speedy decisions and show results. This does not happen in the public sector because of the difficulties mentioned above. It is not impossible to arrive at a formula which will satisfy the needs of the Constitution on the one hand and the demands of efficient management on the other. The main handicap in this regard is the rigidity of outlook and reluctance to part with powers by those who are sitting in the Secretariat.

QUALITY OF PERSONNEL

The other set of problems concerns the quality of personnel. The speed of progress of a developing country depends upon the availability of: (*i*) physical or natural resources, (*ii*) financial resources, and

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[8] M. D. Bryce, *op. cit.*, p. 71-72.

(*iii*) human resources. However, the human resources are more important because the optimum exploitation of both the natural and financial resources depends on the quality of the human resources. Similar is the case with an industrial enterprise. Quality of human resources in an enterprise refers to quality of the top executive, middle managers, and the lower rungs at the plant and office levels. The public enterprises are today experiencing several difficulties in recruiting and retaining personnel of good quality.

Recruitment

Article 16(1) of the Constitution of India directs that each citizen shall have an equal opportunity in matters of public employment. Hence direct recruitment to regular vacancies is mostly done through a public advertisement. It is generally desirable to recruit through advertisement as this ensures not only an impartial selection but also a large market for selection. But it works as a handicap in cases where there is an acute shortage. When the management sometimes locates an appropriate person, it cannot straightaway employ him on a regular basis and by the time the advertisement is issued, that person finds employment elsewhere. Temporary appointments do not serve the purpose. Again, certain directives from the Government for giving preferences and concessions to certain classes of the people tend to dilute the quality of selections. Scheduled castes/tribes, backward classes, displaced persons, handicapped persons, refugees from Tibet, East Africa, etc., persons who went out of business because Gold Control, etc., are entitled to such preferences and concessions. The private sector is not obliged to give such preferences at the cost of efficiency. The non-official Board members are often associated in recruitment to various levels in public enterprises. Influence from political and social quarters and even from civil service personnel at the higher levels also comes into play to the detriment of the quality. The last, but the most important, point is that the present low pay-scales can attract only the average type of persons. In a mixed economy, there is a common employment market both for the private and the public sectors. There is a shortage of high quality personnel, especially of the managerial cadres, in the country. There are no ceilings on emoluments attached to the posts in the private sector. Government keeps a strict control, in many cases, on the fixation and revision of pay scales in public enterprises. The comparison is generally made by the Government with the pay scales of the civil service and not with those of the similar enterprise in the private sector. Giving good scales of pay is considered sometimes against the proclaimed aim of a socialistic pattern of society. Such an obsession affects

adversely the very realization of that aim speedily. The establishment of a socialistic pattern of society will rest largely on the success of the public sector enterprises in the country. The success of the latter is considerably conditioned by the quality of the top and middle managers which, in turn, greatly depends, amongst other things, upon the emoluments. If the differences in the emoluments of the private and public sectors continue to be as large as at present, the public sector will have to satisfy itself with the average quality of personnel.

Promotion

Promotion rules are generally framed on the lines of those meant for the civil service. Considerable weightage is given to seniority. Job descriptions, performance standards and objective appraisals of the individuals on the basis of performance are relatively absent. There is generally no sound personnel policy. Sometimes outside influence plays an important part in promotions. To promote a really capable person, out of turn, is to invite accusations of favouritism and the risk of an enquiry and is, therefore, difficult. To grant advance increments is equally difficult. How can then one think of better methods of reward like profit sharing or salary determination on the basis of performance which operate in an efficiently managed private enterprise?

Personnel Development

The most crucial need today, I believe, is to evolve a new, positive policy of personnel development at all levels. Planning and implementation of development programmes and projects call for initiative, drive and achievement-mindedness of a high order. These qualities can develop and flourish only if there is a clear-cut, bold policy of personnel development through suitable schemes of training, career planning, annual appraisal of individual performance, and well-defined incentives.

However, there are at present a number of obstacles to such development of the personnel in the public sector. The traditional outlook based on mistrust continues to plague its functioning. An officer, for example, is not judged by the results he achieves over a period. His each and every decision is scrutinized by various agencies including Auditor-General or the Comptroller and Auditor-General. An officer would have taken a thousand decisions of which 999 may have been correct and may have brought good results. But if he has committed a bonafide mistake in the remaining one case, he would be asked to explain and may be charge-sheeted. Such old colonial

practices based on mistrust should be thrown overboard immediately and boldly, and replaced by positive tests of overall achievements based on periodical appraisals of the individuals. Because anti-corruption or vigilance enquiries are held in cases where bonafide mistakes are committed, nobody likes to take the responsibility for taking speedy decision and instead, the buck is passed higher up. This saps initiative and retards personnel development and thereby affects efficiency. This does not mean that malafide mistakes also should go unpunished. Because one is dealing with public funds, a person who has committed a malafide mistake should be punished very severely and if necessary, imprisoned. But watch and vigilance on and audit of every decision is fatal to the success of an enterprise. This equally applies to the efficient conduct of Government business. Again, delegation of powers to the appropriate levels helps develop the personnel and contributes to speedy and correct decisions, and, therefore, ensures efficiency.

As observed earlier, the reluctance to part with powers begins from the highest level, *i.e.*, the Government itself. Ministers, secretariat officers, the Boards of Directors, the Chief Executives and middle managers are all afflicted with this malady. This is largely because nobody is responsible for the final results. The chief executive officer of an enterprise should be held responsible for the results and he should be sufficiently armed with powers for the purpose. If he is responsible, he will immediately delegate responsibility and powers at the appropriate levels in the enterprise for obtaining the maximum efficiency. In absence of a clear policy of development of personnel through delegation, of judging them by the results through periodical individual appraisals on the basis of mutually agreed targets, of career planning and of training, where necessary, not only that the existing personnel do not develop and grow but the promising ones even leave the organization.

Discipline

Same is the picture with respect to discipline. Labour laws apply equally to both the private and the public sector. Trade unions are mostly affiliated to political parties. The State Governments belong to one or another political party and the trade unions associated with that party try to bring political pressures to bear upon individual cases of discipline. Public sector enterprises cannot, therefore, many times enforce discipline even in cases where guilt is proved. Though this applies also to the private sector, enforcement is less difficult there. Again, outside interference contribute to dilution of general

discipline. Instances are not wanting where the guilty persons have been reinstated on grounds other than merit.

For all these reasons, good quality of persons cannot be recruited nor retained in a public sector enterprise.

NEED FOR NEW AND DYNAMIC APPROACH

For a country like India where a large proportion of national income in the non-agricultural sectors is expected to be generated through public investments, it is absolutely necessary that the public enterprises should be managed efficiently and they should earn sizable profits. More than 3,000 crores of rupees have been invested during the three Plans in the State industrial enterprises but the returns therefrom are disappointing. Many of them have incurred great losses, instead of making profits. This criminal wastage of national resources should be stopped forthwith. The rate of economic growth has been low in spite of heavy investments, largely because of inefficient management of State enterprises. On the other hand, population is expanding very rapidly. Per capita real income is almost stagnant. The expectations of the people have been raised very high. If the rate of increase in the real per capita income is not satisfactory in the next few years, it is feared, even the political stability of the country would be endangered. The problem thus assumes national urgency and immediate steps need to be taken on a war footing to put the management of industrial enterprises on a sound basis.

On the whole, it appears that remedies are not difficult to find. It is not that the basic problems are not known to the authorities concerned. Literature in the form of reports of several committees both on public sector enterprises in general and on the performance of individual enterprises is not inadequate. The present Prime Minister of India has time and again emphasised the need of efficient management of these enterprises. However, at the political level, the important political parties, the Ministers and Members of the legislatures, especially those who are members of the Estimates Committees, Public Accounts Committees and the Committee on Public Undertakings need to re-shape their attitudes and to look at the current problems of public sector from a more objective and achievement-oriented perspective. At the executive level, secretariat officials, administrators, economists, accountant-generals and others both at the Centre and in the States dealing with public sector projects also need a similar change in their outlook.

Next in importance is the problem of recruitment and development of good managers. Every public sector enterprise should pick

up brilliant youngmen and build them up so that middle and top management posts are ultimately filled up from within the enterprise itself. This may take quite some time. For the immediate future, therefore, a list of persons who have shown high managerial competence—whether from the I.A.S. or outside—should be prepared and those who are willing should be permanently transferred to the appropriate enterprise. If a sufficient number of such talented and willing persons to work as managers is not available, then 'medium term' deputations including those from the private sector may be the only alternative. The present practice of deputation of any officer from I.A.S. or any other service, for a short period should be totally abandoned. These deputations should be confined to the transitional period till the enterprise buildsits own managerial competence. In order that competent managers, adequate in number, are trained and developed, the approach outlined below should be adopted. Written orders embodying this approach as a policy should be issued by the Government and they should see to it that the approach is followed by all concerned.

(*i*) The enterprises should be run on the basis of trust. Practices inherited from the British days and built on MISTRUST should be discarded boldly and immediately.

(*ii*) Anybody who has proved dishonest or has taken a malafide decision should be punished severely no matter how high he may be.

(*iii*) No official of a public enterprise should be subjected to suspicion or penalised for bonafide decision or advice. It should be the duty both of the Government and the top management of an enterprise to create an atmosphere which promotes fellow feeling, freedom to express frankly one's own opinions, delegation of powers to young middle managers, etc. Such a positive climate will help develop with great speed the human resources which are vital and which play an important part in maximizing the exploitation of physical and financial inputs.

(*iv*) A bold policy of regular and systematic recruitment and training, reinforced by a career planning and development policy, should be evolved and implemented for injecting young blood at appropriate levels.

(*v*) There should be a well thought-out scheme of appraisal of individual performance, based on pre-determined targets or

yardsticks; and salary determination, promotions, transfers and training should be based on such appraisals.

(*vi*) Salaries should be allowed to be fixed by the enterprise according to market conditions. The disparity between the salaries of the public enterprise personnel and those of their counterparts in the private sector should not be so large as to hold back the talented personnel from joining the public sector undertakings.

(*vii*) The Board of Management should be a permanent body, with one-third of its members retiring every 2-3 years but re-eligible for election. The directors should be experts in man-management as well as in the sector to which the public enterprise relates. The number of members should be the minimum possible. The Chairman should be a full-time top executive.

(*viii*) There must be identity of objective criteria for a given period to judge the efficiency of the enterprise. All the concerned agencies, such as the Government, the Legislature, the Accountant General, the Board of Management and the Press, should be taken into confidence to the extent possible in evolving these criteria. If the performance of any public enterprise does not come up to such standards, the top manager should be taken to task. Generally speaking, like the private enterprise, the public sector enterprises should be able to pay taxes to the Government, to provide for the required depreciation and pay off the debt.

(*ix*) Public enterprises should be able to fix the prices of their products except in case of public utilities where the Government is obliged to protect the interest of the consumers.

(*x*) As far as possible, the audit of public enterprises should be carried out by the Chartered Accountants. The Comptroller and Auditor-General should be taken out of the picture for checking of individual transactions, as in the case of the nationalized State Bank of India. He should be associated, however, with the review of overall performance of the enterprise by the Government and the concerned legislative committee.

The various measures mentioned above will help bring efficiency into the management of the enterprise. But the deepening of the awareness of the usefulness of this approach, reinforcing of the willingness to implement it and its actual implementation at all the three

levels—political, administrative and managerial—will take time. Therefore, the earlier a start is made in this direction, the better it is for the good of the country.

Again, to improve the organization and the structure, to recruit and retain quality personnel and, above all, to build and develop good managers are important and difficult tasks and require boldness, foresight, and courage on the part of the political and administrative leadership. The development of these qualities in the managers of public enterprises is going to be a long training process. What can then be done in the meantime? The only remedy, I feel, is to convert the existing public sector enterprises into mixed enterprises. A certain percentage of the shares should be offered to the private sector in all industrial and commercial projects (except in strategic or defence industries) and entrepreneurs of proven ability in the private sector should be invited to join the Boards of Management and help putting the management of the enterprises on sound economic lines. All new enterprises which Government wants to start in the next 15-20 years should be of the mixed pattern. Every enterprise in the mixed sector, wherever possible should face competition from the private sector. Such competition will work as a built-in device for increasing efficiency. Similarly, every monopoly in the private sector should also be curbed by starting a company in the mixed sector. Large sums of money which may thus be released could be utilized for development of other important sectors of the economy. The switch-over to mixed enterprises will help speed up: (*i*) the building of managerial talents in the country, (*ii*) creation of a sound organizational structure, and (*iii*) development of a sound personnel policy in the mixed sector. All these advantages will be available when Government finds that the conditions are ripe to convert the mixed enterprises into wholly-owned public sector undertakings. Such an arrangement will also attract local savings, foreign capital, foreign know-how and managerial talents through international lending agencies. It is my firm conviction that this is the only and the right approach under the existing circumstances to improve the management of the existing public sector enterprises and consequently to increase the rate of economic growth.

THE PRESIDENTIAL TASK FORCE AS AN ACTION INSTRUMENT TO ACHIEVE URGENT NATIONAL GOALS

*James R. Brady**

THIS paper suggests how the President or Prime Minister can utilize the Task Force approach to expedite the implementation of national programs which he personally considers vital to the national interest. It outlines the general procedures for planning and organizing a Presidential Task Force system to solve specific problems in areas where regular governmental agencies are unavailable, inadequate, or ineffective. To effectively serve the President, the Task Force must be given the authority, resources, and operational flexibility required to carry out its programs in the fastest possible time. However, it is assumed that the Task Force will operate in a generally democratic political environment and that it must, therefore, be subject to certain constraints imposed by such an environment.

I

FAILURE OF REGULAR INSTITUTIONS TO ACHIEVE DEVELOPMENT GOALS

National goals are often promulgated and formalized in national development plans, but they are not translated into specific action programs with the necessary supporting budgets, delegations of authority or staff support. More specifically, the reasons for the gap between the goals stated in national development plans and actual achievements could include the following:

(1) Top governmental leaders and officials do not perform the required policy-formulation role of breaking broad national goals down into sub-goals or objectives which are sufficiently limited and specific to suggest the means by which they may be achieved. In other words, they do not translate the goals

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in a particular problem area into more precise objectives or policy guidelines for the administrative agencies which are supposed to implement these goals.

(2) The action which must be taken to implement new policies has not been officially sanctioned because the necessary legislative authority or administrative order has not been issued. Administrative officials are reluctant to change their procedures unless the legal authority for this has been made clear.

(3) The specific organizations which are to be responsible for implementing the new objectives and policies are not identified or the new policies are not properly communicated to those agencies which are given the formal responsibility for implementation.

(4) Adequate budgetary and staff resources are not committed to permit the responsible organization to implement the program.

(5) The existing system of rewards and punishments is not altered to encourage administrative and other governmental officials to change their behaviour patterns and work toward the new objectives. Consequently, a government agency's overall performance reflects little change and most of the staff's energy continues to be devoted to routine tasks. If personal advancement within the bureaucracy is based on factors besides goal achievement, there may be little incentive for public officials to change their mode of operations.

(6) There is no system of follow-up and feedback to keep the President or his staff advised on a current basis, of the specific progress being made on his goals or of the problems being encountered in trying to achieve such goals. The President often does not really know how his programs are faring until a major crisis or problem arises.

When several of the above conditions are present, the achievement of urgent national goals does not progress much beyond the planning stage. Over time, the government and the bureaucracy come to be seen by the people as being unable or unwilling to carry out needed economic and social programs or to provide adequate public services. Public confidence in the President and in democratic

government may be seriously undermined if actual progress continues to lag behind—too far behind—public aspirations.

II

ROLE OF PRESIDENTIAL TASK FORCE

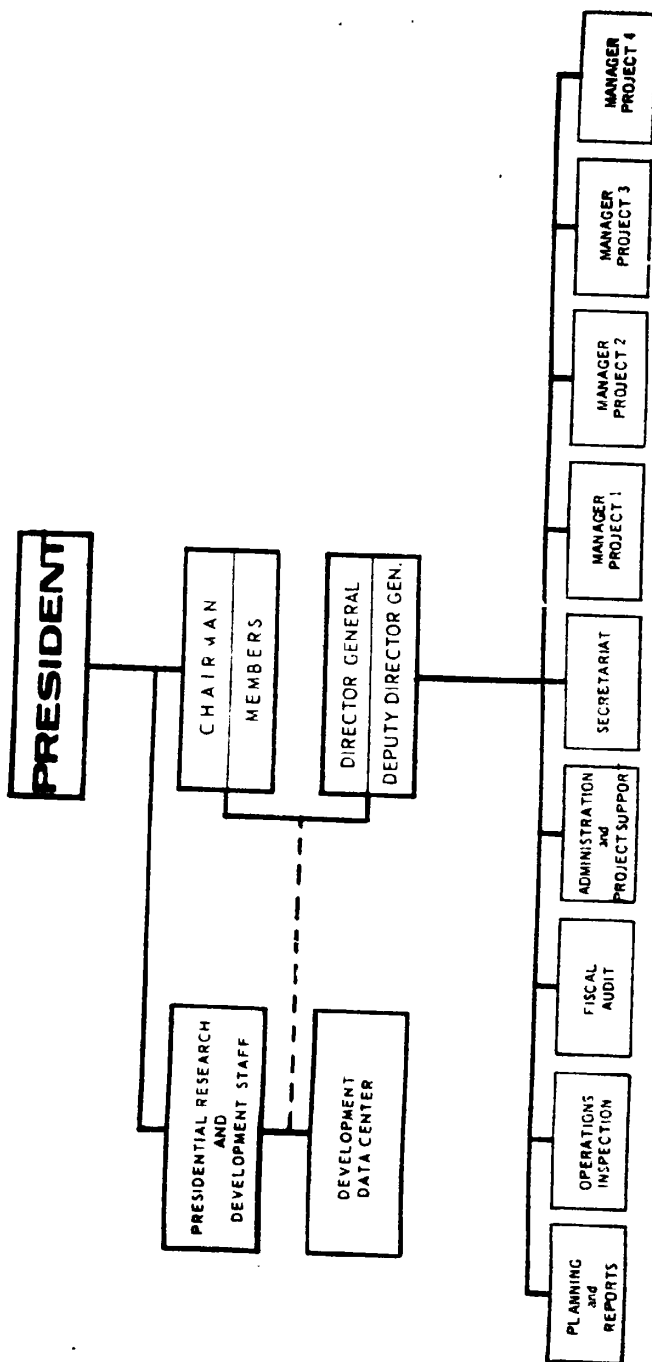
In order to cope with some of the problems outlined in Section I, the President may create a special temporary action group which are referred to as the Presidential Task Force (PTF). The number of Presidential Task Forces to be created would be governed by the number of urgent problems facing the nation, but should be kept as small as possible in order to concentrate scrace national resources where the need is greatest.

The Task Force proper is a policy-formulation and general supervisory body which functions under the leadership of the Chairman. Implementation of policy and programs is actually carried out by specific project organizations created by the Task Force and responsible to it. All project organizations will report to a Director General who is appointed by the Chairman. Each project will be headed by a Project Manager who is held personally responsible for the specific objectives assigned to his project. Chart I (see p. 325) portrays the general relationships among the components of the PTF system.

The President must have available a permanent high quality staff unit which can provide each Task Force with adequate research, secretariat, and clerical services, at least in the early stages of the Task Force's life. This Presidential staff unit may also play an important role in conducting preliminary studies and advising the President on the problem areas in which a Task Force is most urgently needed. This staff unit must have the professional talent, prestige, and objectivity necessary to help the President define goals and to suggest programs strictly on the basis of what is in the national interest.

The Presidential Task Force system can expedite the achievement of the President's priority programs by : (1) Formulating the specific action objectives and project plans needed to achieve the broad goals set by the President or the national legislature; (2) Establishing a system of priorities among these goals to determine which projects get first choice on resources; (3) Establishing project organizations for each of the primary objectives; (4) Obtaining the necessary resources to implement priority plans; (5) Providing *general* direction and support during the implementation of the plans, through the Chairman and the Director General; and (6) Providing for

Chart I

GENERAL ORGANIZATION OF A PRESIDENTIAL TASK FORCE SYSTEM

continuous evaluation of the operational results of project implementation and making (or recommending to the President) the necessary changes to achieve the original goals or to set new goals.

The Problem or functional area in which a Presidential Task Force (PTF) operates must be sufficiently limited to permit it to do an effective job within a relatively short time period. While the PTF may properly develop a five-year plan for achieving its major objectives, the normal life span of a Presidential Task Force could be two to four years. By the end of the third or fourth year, most of the critical and continuing functions being performed by the Task Force should have been integrated into existing or newly-created "permanent" agencies or private institutions. While it may be desirable to extend the life of a Task Force for longer periods, attracting and retaining highly talented and energetic top level people for more than two or three years could be difficult. Perhaps it may even be necessary to reorganize or create a new Task Force in order to recruit a new group of interested and devoted leaders or to generate new enthusiasm of a particular program.

To summarize, the Presidential Task Force may be concerned with long-range or overall national development plans, but it is primarily an action organization, not a planning agency. Within the general problem area assigned to it by the President, it concentrates on removing current obstacles and expediting progress on existing projects or creating new projects as required to reach its objectives. The project organizations created by the Presidential Task Force are essentially temporary organizations aimed at solving limited, specified problems, although they could become part of a regular government agency or serve as the nucleus of a new agency.

III

ORGANIZATION AND LEADERSHIP OF A PRESIDENTIAL TASK FORCE

Chairman

The Chairman of the Presidential Task Force should be an individual who has demonstrated his personal leadership abilities in action programs of a national scope. Above all, he must command the respect and personal confidence of the President and have immediate access to the latter at all times. The Chairman should also have the high levels of personal integrity, dedication, and energy necessary to insure that the Task Force is seen as an action instrument created to serve the general or public interest. To provide the Chairman with the personal status required to deal effectively with public officials and

administrators, he should receive a presidential appointment and a personal rank equivalent to a Secretary of Minister-without-portfolio. He should have the authority to nominate members of the Task Force for appointment by the President and he should be able to appoint and remove any individual employed by or assigned to the staff or project organizations functioning under the Task Force.

Task Force Members

Membership in the Task Force should be small enough to facilitate meaningful and thorough discussions and large enough to accomodate the major skills and qualities needed to work intelligently on the development problems facing the Task Force.

The Chairman should nominate candidates for presidential appointment to the Task Force on the basis of their ability and willingness to make an active contribution to achieve its objectives. Members should be appointed on the basis of such qualities as technical expertise, managerial or leadership skills, or personal influence. All members would be expected to be strong personal supporters of the goals of the Task Force.

Members might be appointed from the following categories: (1) Well-known and competent experts in the technical areas under consideration, (2) Representatives of the key groups which will be affected by Task Force programs, (3) Representatives from the national legislature and/or political parties, (4) Top officials from the governmental agencies which will be affected, (5) Well-known civic leaders or other individuals who are not identified with specific interest groups and, therefore, can serve as "public member" to represent the general public, and (6) Members of the provincial or local governments or political parties.[1]

IV

METHOD OF OPERATION

As noted above, the Task Force will be responsible for translating the President's mandate into specific objectives or sub-objectives which would then be assigned to project organizations for implementation. The Task Force will decide what resources are needed to achieve the objectives and where these are to be acquired.

[1] The President may also wish to appoint an Advisory Committee to provide general and specialized advice to the Task Force and to serve as a medium for representation of affected groups or the general public. The Chairman could nominate to the Advisory Committee persons who can provide useful information or who represent groups whose views should be known to the Task Force on a current basis.

Relationship with other Agencies

After determining its objectives, the PTF must decide whether existing governmental organizations in the particular problem area can be utilized under the Task Force's project organizations or whether a new organization must be created. Where the current government agency is regarded as inadequate to carry out the objectives identified by the Task Force, the Task Force may request the President to:

(1) Abolish the present agency and transfer relevant functions and authority to the Task Force;

(2) Transfer authority over the agency to the Task Force, with or without changing the agency head, so that the agency will function as a project organization under the Task Force;

(3) Transfer certain specified functions, funds, and working staff members of the agency to a Task Force project organization; and

(4) Retain the present agency in the same general status but provide the Task Force with paramount authority in the event of conflict between the two organizations.

Material and Financial Support

The Task Force should be provided with adequate financial resources by being authorized an initial budget when it is created and by further supplemental appropriations as it develops. The national budget director and the treasurer should assign some of their staff members to the Task Force to assist it in expediting the authorization, release, and expenditure of the funds necessary to achieve its objectives.

Chairman of the Task Force should be authorized to utilize special procurement procedures wherever the regular procurement system is too cumbersome to permit the speedy acquisition of urgently needed items. The Task Force should also be given priority over other agencies in the utilization of existing facilities or supplies when this is necessary to the achievement of urgent national goals.

To facilitate operations, the Chairman should re-delegate to the Director General of the Task Force such special authority as he deems appropriate in the areas of budgeting, expenditure of funds, and

procurement. The Director General, in turn, should delegate to Project Managers such special authority as they may need to obtain the proper materials and facilities to carry out their assignments. All delegations which fall outside the scope of general regulations should be in writing. The Task Force should also maintain its own internal audit unit to ensure the proper use of funds and facilities.

Staff Resources

Probably the key ingredient for success of the Task Force is the presence in key positions of people who are competent, energetic, and strongly dedicated to the objectives of the Task Force. There are many people in any society who would willingly volunteer for long and arduous work assignments when they believe they are contributing to a worthwhile national goal. However, the Task Force should also have the necessary resources and flexibility to offer its members adequate material and psychic rewards for their contributions.

To attract needed talents from private life or public agencies, the Task Force should be able to hire people on contract or to order the detailing of employees from government agencies. Civil servants on assignments with the Task Force should be eligible for all the benefits they would receive in their regular agency. The Task Force should be authorized to nominate such employees for special meritorious pay increases or promotions to reward outstanding performance on Task Force projects. The Task Force should also be able to offer overtime pay and special bonuses as incentives for recruitment and sustained superior performance.

The Director General would be the key operational staff member on the Task Force. He could be an outstanding senior public administrator who has demonstrated his ability to get results through effective organization of other people. He should be given an official status equal to that of the top civil servant in a regular government department. The Deputy Director General should be of roughly equivalent experience and status. Project Managers could also be selected from among the senior ranks of the civil service.

To obtain and retain the pool of high-level talent needed to staff the President's various Task Forces and special program, it may be necessary to create a permanent Senior Administrative Corps. Members of this Corps would be given *personal* grades, pay, and other benefits to provide them with the security needed to accept periodic inter-agency transfers and temporary assignments. Membership

in the Senior Administrative Corps would be limited to those top civil servants with outstanding performance records who are willing to serve in any agency or Presidential Task Force where their services are needed. Such a system should alleviate the problem created by civil servants who are reluctant to leave their regular job and agency for a temporary assignment because they may be displaced during their absence. Naturally, constant vigilance may be necessary if the Senior Administrative Corps is to be a source of dynamic managerial leadership and not a sinecure for older but ineffective bureaucrats or political appointees. Provision should also be made for bringing in capable people from outside the government to staff some of the projects.

Leadership

The effectiveness of the Task Force will be commensurate with the quality of personal leadership demonstrated by key individuals, such as the Chairman, Members, Director General, and the Project Managers. Leadership consists of the dynamic acts which are necessary to keep the organization energized and moving toward goals which are appropriate to current environmental conditions. To influence the direction and pace of the organization, an effective leader uses all the resources at his disposal, including the capacity to reward and punish (in the broadest sense), the authority and prestige of his position, his personal expertise and specialized knowledge, or his skills in inter-personal relations. Following are some of the responsibilities which must be carried out by the leadership at various levels of the Task Force: (1) Ensuring that current objectives realistically reflect changing environmental conditions, (2) Developing and maintaining proper relationships between the Task Force and government agencies, interest groups, or other elements which are important to the Task Forces' success; (3) Promotion of co-operation and mediation of dysfunctional conflicts between subordinate organizations of the Task Force system, and (4) Evaluating the progress made by subordinate groups or staff members toward achievement of stated goals, and: (*a*) rewarding of effective staff members, and (*b*) providing of training better supervision or disciplinary action to less effective staff members.

Communication and Information

To ensure that everyone in the Task Force system is well-informed on goals, problems, and progress, several formal and informal communication channels need to be established within the Task Force and between the Task Force and other relevant organizations.

Regular staff meetings at various levels of the organization provide one potentially useful medium for current communication and resolution of current issues. The President should meet at least monthly with each of his Task Forces. The Chairman should meet with members of the Task Force proper at least bi-weekly and with the Director General and Project Managers at least weekly. Meetings should concentrate on brief progress reports and solutions to current impediments to goal achievement. Specific individuals or units should be designated to follow-up on problems raised in the meeting and to report back on these in future sessions.

A presidential staff unit might provide at least initial research and information-gathering services to each Task Force. A centralized data and information center could be created to serve all Task Forces or each Task Force could develop its own center. A permanent national center for all Task Forces may be preferable since this would permit the economic utilization of automatic data processing systems for accelerated information collection, retrieval, and analysis. However, where adequate centralized information services are not available, the Task Force should be authorized to create its own research and data units or to contract for needed services from qualified public or private sources.

New management planning and review techniques, such as PERT (Program Evaluation and Review Techniques) or CPM (Critical Path Method), could be used to establish information needs and to monitor progress on Task Force projects. These techniques are used to schedule and integrate each component or step in a given project and identify the critical phases which must be executed on time to avoid delaying other phases. Although these systems originated in the engineering and aero-space field, they lend themselves to other types of complex development projects.

Competent accountants are also required to provide accurate cost estimates of projects to be undertaken and to provide *current* information on expenditures and obligations being incurred by the Task Force. The accounting office should be able to help the Task Force leadership to: (1) anticipate funding shortages (so that operations will not have to be curtailed); and (2) shift funds and personnel as required to reduce costs and ensure that the most important units and functions are receiving adequate financial support.

Training and orientation programs provide another way of ensuring that Task Force personnel are provided with the information

and knowledge needed to perform their roles. The Task Force leaders should also actively participate in the training sessions and use this opportunity to inspire new staff members to become committed to the purposes of the Task Force.

V

CONCLUSION

The preceding sections have identified some of the general elements which are involved in the organization of a Presidential Task Force. An ideal or generalized model was developed to illustrate what such an organization would require to operate more expeditiously than most regular government agencies. The Task Force will enjoy certain special benefits simply because these are essential if the President desires to create a dynamic and flexible organization which can show fast results on the urgent tasks he has assigned it. There is little to be gained if the Task Force is organized and supported in the same manner as other government agencies. The Task Force must be given adequate resources even if this requires the diversion of resources from other agencies. After all, the Task Force is not an onerous appendix to the government; it is a vital unit charged with executing some of the nation's most critical programs.

JOB CHART FOR AGRICULTURAL JOBS OF VILLAGE LEVEL WORKERS IN THE INTENSIVE AGRICULTURAL DISTRICT PROGRAMME*

T. Sengupta

AS a life saving device for India and its agriculture,[1] the Intensive Agriculture District Programme or the 'Package Programme' was launched in the year 1961, with a heavy investment of human, material and technological resources. The programme takes its shape from the bottom, from the farm production plans prepared by the Village Level Workers (VLW) with the farmers. On the basis of this farm plan the working plans for other services and agencies are formulated, coordinated and directed to the common aim of stepping up agricultural production. But the job of VLW does neither start nor end with making the farm production plans. Before the farmers agree to make plans he is to carry on preparatory educational work for convincing the farmer. Then again, after the plans are prepared, he is to coordinate the works of supply and services agencies for effective implementation of the plans. In such a programme for directed change the role of the VLW is obviously very important.

So, in view of this crucial nature of the VLW's role in the package programme, it is very necessary that his jobs be clearly defined and a high standard of efficiency maintained in their performance. This need was keenly felt by the Central Conference of the Intensive Agricultural Programme, 1964, which recommended that for bringing about improvement in the efficiency of the VLW, a field oriented job chart should, first be prescribed for them.[2] Following this recommendation,

*Dissertation of author's Ph.D. thesis on: "Developing Job Chart and a Rating Scale for Measuring Effectiveness of Village Level Workers in the Intensive Agricultural District Programme," at Indian Agricultural Research Institute, New Delhi, 1966.

[1] D. Ensminger, The *Intensive Agricultural District Programme in India's Agricultural Development*, I.A.D.P. Conference Report of the First Central Training Course for Key Personnel, Ministry of Food and Agriculture, Government of India, 1961, p. 5.

[2] Ministry of Food and Agriculture, Government of India, *Central Conference on Intensive Agricultural Programme: Summary Recommendations and Detailed Recommendations*, New Delhi, Directorate of Extension, 1964, pp. 3-16.

the present study was taken up in collaboration with the Directorate of Extension, in the Ministry of Food and Agriculture.[3]

REVIEW OF CONCEPT OF JOB OF VILLAGE LEVEL WORKERS

The concept of job as a piece of work seemed to have been missed in defining the jobs of VLW in the Community Development Programme. Aims, objectives and even individual programmes were often quoted as jobs for the VLW. Thus, items like popularization of local manurial resources, popularization of improved seeds and plants, popularization of better techniques of cultivation were quoted by Pisharody[4] under the agricultural jobs of VLW. Sengupta,[5] listed 56 items of most important jobs for VLW, collected in accordance with the opinion of villagers and different functionaries of the Community Development Blocks. The list runs as follows: distribution of improved seeds, demonstrating with own hands, arranging loans, supplying fertilizer, resolving differences of groups, raising production in agriculture, tackling the masses, changing outlook and behaviour of people, promoting agriculture and animal husbandry, etc.

Some of these items are found to be quite specific while others are vague. Sinha and Jadav,[6] reported activities of VLW in a package district after conducting a field study for a period of 2 months. The activities observed are as follows: preparation of farm production plans, supervising implementation of the plans or follow up of the plans, issuing permits for fertilizers, demonstrations, field visits, campaign on making compost pits, collecting National Defence Fund, small savings fund collection, distribution of flood relief material, issuing cycle tokens, etc. The review presents the job of VLW, as collected in different times, for different programmes and by different methods. Thus the first list of jobs represents experts' opinion, the second list presents the results of an opinion survey, and the third list is the result of a limited observation. None of these lists, cover the

[3] M.P. Singh, *Help to Shri T. Sengupta on his Research Project entitled "Developing Job-Chart and Rating Scale for Evaluation of Village Level Workers' Effectiveness in I.A.D.P. Districts"*, Memo. No. F. 16(3)/65—pp (II) of Directorate of Extension, Ministry of Food & Agriculture, New Delhi, 1965.

[4] T.N.P. Pisharody, *Suitability of Training of VLWs in Relation to Their Job in Kerala State*, M.Sc. thesis at I.A.R.I., New Delhi, 1962. "Revised Job Chart for the VLW", Appendix VII.

[5] T. Sengupta, *Characteristics of Effective Village Level Workers*, M.Sc. thesis at I.A.R.I., New Delhi, 1963, Appendix III.

[6] N. K. Sinha and D. P. Jadav, *An Exploratory Study on the Nature of VLWs' Field Assignment and Activities During November-December 1962: A General Review of Operational Research Studies*, Operational and Analytical Research, I.A.D.P. Ludhiana, 1964, pp. 30-33.

entire range of agricultural jobs of the VLW in the package programme, collected by the methods of both observation and enquiry. So, to fill up this gap the present study was undertaken.

METHODOLOGY

The study was completed in two phases. In the first phase agricultural job items were collected and classified in the form of a tentative job chart. In the second phase, the job chart was standardized and the jobs were ranked in a field study.

Phase I: Collection of Job Items and Preparation of the Tentative Job Chart

Agricultural job items for VLW were collected from four different sources, *viz.*, publications of the Ministry of Food & Agriculture, consultation with experienced workers in the field, field observations of the activities and study of diaries of VLW. Study of publications issued by the Ministry of Food & Agriculture, Government of India (1959[7], 61[8], 63[9] & 1964[10]) revealed that planned introduction of improved technology in agriculture forms the core of the programme. Logical derivation from this basic concept leads to the identification of 5 distinct major job areas, *e.g.*, education, planning, supplies, services and organizations. Consultation with Block personnel in Mehrauli Block in Delhi State, helped in identifying 3 more major jobs, *e.g.*, supervision of implementation of plan, construction works or 'Works', and office job.

Research reports on job study of VLW's jobs, conducted in the Ludhiana package district (Sinha 1964), were studied and the specific jobs observed were listed under the relevant heads of the 8 major jobs already identified. Similarly, items of specific jobs, collected from observation of the activities of 5 VLWs of Delhi State, were listed under the relevant heads of 8 major jobs. For this purpose each VLW was observed for two days at different times over a period of 4 months. Study of diaries of these VLWs for a period

[7] Ministry of Food & Agriculture, *Report of the Ford Foundation Team on Agricultural Production: India's Food Crisis and Steps to Meet it*, New Delhi, Government of India, 1959.

[8] Ministry of Food & Agriculture, *Report of the Ford Foundation Team on Agricultural Production: India's Food Crisis and Steps to Meet it*, New Delhi, Government of India, 1961.

[9] Ministry of Food and Agriculture, *Report on Assessment and Evaluation of Intensive Agricultural District Programme* 1961-63, New Delhi, Government of India, 1963.

[10] Ministry of Food & Agriculture, *Review of Progress of I.A.D.P. (Package Programme)*, New Delhi, Government of India, 1964, Annexure XIII.

of one year also furnished items of specific jobs and activities in the field of agriculture.

Classified list of jobs under 8 major job areas gave rise to the format of the tentative job chart for VLW. This chart was pre-tested in 5 Blocks in Burdwan package district. As a result of this pre-test some more items of specific jobs under 'works' category, relevant to that part of the country, were added to the job chart. The format of the tentative job chart is shown as follows:

TENTATIVE JOB CHART

Sl. No. *Major Jobs*	*Specific Jobs*
1. Educational	(*a*) Conducting demonstrations of different kinds (*b*) Launching Campaigns (*c*) Arranging and conducting general meetings (*d*) Arranging and conducting training camps (*e*) Arranging and conducting field days (*f*) Arranging exhibitions (*g*) Arranging and conducting group discussions (*h*) Making home and farm visits (*i*) Distribution of informational material
2. Planning	(*a*) Preparing farm production plans (*b*) Developing Village Agricultural Production Plans
3. Supply	(*a*) Supplying improved seeds (*b*) Arranging supply of fertilizers (*c*) Supplying plant protection materials (*d*) Supplying improved implements (*e*) Arranging supply of construction materials for agriculture
4. Service	(*a*) Helping farmers in getting loans (*b*) Helping in marketing the produce (*c*) Providing specialists services (*d*) Realising loans
5. Supervisory	(*a*) Supervising implementation of farm production plans (*b*) Supervising implementation of village agricultural production plans (*c*) Supervising crop competition and crop cutting experiments

(*Contd.*)

TENTATIVE JOB CHART—*Contd.*

Sl. No.	*Major Jobs*	*Specific Jobs*
6.	Organizational	Helping in: (*a*) Organizing agricultural subcommittee of panchayats (*b*) Organizing youth clubs (*c*) Organizing farmers forum (*d*) Forming co-operatives
7.	Works	Preparation and execution of: (*a*) Minor irrigation schemes (*b*) Contour bunding and terracing (*c*) Jute retting tank scheme (*d*) Irrigation channel scheme (*e*) Drainage schemes (*f*) Land reclamation schemes
8.	Office	(*a*) Maintenance of records (*b*) Submission of reports (*c*) Attending to visits

Phase II : Standardization of Chart and Ranking of Major Jobs

For standardization of the job chart it was to be checked by Block personnel of package Blocks, situated in districts in different States. Hence the questionnaire method was employed for collection of responses for this part of the study.

The Sample: Selection of sample was carried out at district, block and personnel level. To suit the specific needs of the study, selection was made purposive at district level, randomly at block level and again purposive at personnlevelle.

Selection of districts: At the time of initiating the study the Intensive Agricultural District Programme had been introduced for varying periods of time, in one of the districts under each State, except in Kerala where 2 districts were brought under the programme. The number of districts under the programme including Mandi (Himachal Pradesh), Delhi State and Jammu & Kashmir was 18. They formed the universe of districts.

Criteria for selection of districts: Selection of districts was based on the Assessment and Evaluation Report of the Intensive Agricultural

District Programme (1963)[11] which observed that a minimum period of 2 years was needed for the programme to get proper shape in any area. It was, therefore, decided that districts and blocks in which the programme had been working or running for a minimum period of 3 years (allowing one year's margin of time for administration of the programme in optimum condition) would be selected for the purpose of collecting information in the study.

On the basis of this main criterion and other available information, 12 districts were selected for the study. Pali (Rajasthan), and Sambalpur district (Orissa) could not be included in the study, because specific information regarding the dates of launching the programme in blocks under these districts was not available. Cachar and Delhi State were excluded because the programme was running in those places for less than 3 years at the time of the study. Mandi, Jammu & Kashmir were also excluded because of their special characteristics. The 12 selected districts included in the study were, Ludhiana (Punjab), Aligarh (U.P.), Shahabad (Bihar), Burdwan (W.B.), Raipur (M.P.), Surat (Gujarat), Bhandara (Maharashtra), West Godavari (A.P.), Thanjavur (Madras), and Alleppey and Palghat (Kerala).

Within these 12 selected districts, the blocks with an experience of at least 3 years of package programme were listed down, and from this list a random sample of 5 blocks per district was selected. So in all there were 60 blocks selected from 12 districts. A sample of 8 respondents was then selected from each of the 60 selected blocks. Each sample comprised the following respondents: the Block Development Officer, two Extension Officers for Agriculture and two for Cooperatives, the Panchayat Inspector or Supervisor, and the most effective and the least effective VLWs of the block. It was expected that such a diversification of the sample would ensure a thorough checking of the tentative job chart and ranking of jobs by different agencies within the Block administration. The total number of sample was thus 60 × 8 = 480. The job of selecting the respondents within the Blocks was, however, entrusted to the respective Block Development Officers.

Questionnaire: Each questionnaire consisted of an explanatory note on the objective of the study, a copy of the tentative job chart and the job ranking schedule. The respondent was asked to check in the tentative job chart, the items of jobs being performed by the VLWs in their respective blocks. The respondent was further requested to make necessary addition and alteration in the job chart in order to make

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[11] Ministry of Food & Agriculture, *Report on Assessment and Evaluation of Intensive Agricultural District Programme*, 1961-63, New Delhi, Government of India, 1963.

it a complete and correct one; to comment on the scheme for classification of job followed in the job chart and also to rank 8 major jobs in order of their importance in the package programme.

A set of 8 questionnaires along with a forwarding letter addressed to the Block Development Officers, requesting them to distribute the questionnaire amongst their staff according to the instruction contained in the letter. In order to ensure satisfactory rate of recovery of the questionnaires a rigorous follow up measure was taken by sending regular periodical reminders to the Block Development Officers. Assistance was sought from the District Project Officers in getting back the questionnaire with necessary information in time. Official communication was also issued by the Project Director, Intensive Agricultural District Programme, requesting the district and block personnel of the programme organization to offer necessary help and co-operation in this study.

Analysis and Findings: Responses to mailed questionnaires were obtained from 42 blocks or from 70 per cent of the sample blocks.

The number of respondents responding from these blocks was, however, 257 or 53·5 per cent of the sample. It was observed that the respondents, in this study represented all the sample districts, blocks and different categories of personnel working in the package programme. Response in case of Extension Officers for co-operative and Panchayat Inspector was comparatively low and many of them submitted blank forms with the remark that they did not possess sufficient knowledge about VLW's jobs and job situations in the field of agriculture.

The responses in the job chart schedule were analyzed by districts and it was observed that all the 8 major jobs were checked by all the respondents. Some variations in response were observed in case of the specific jobs like: developing village agricultural production plans, helping farmers in marketing their produce, realization of loans, supervising implementation of village agricultural production plans and the specific jobs under organizational and 'works' category. Such variations in responses might be due to the fact that some of the VLWs did not actually perform these jobs or they might not have the scope for performing them, and also their supervisors might not have observed these jobs in the absence of a specific job chart. In Alleppey and Palghat districts fewer respondents checked the item on supply of construction materials and one of the Block

Development Officers explained that owing to inadequacy of supp of these materials the VLWs were not able to perform the job.

On analysis of individual response it was found that many ne items of crops, chemicals, records and reports, characteristic to tl different areas were added under the relevant jobs. The consolidate job chart, incorporating all the detailed job parts mentioned by re pondents from different districts and Blocks is presented as follows

CONSOLIDATED JOB CHART

I. EDUCATIONAL JOBS: It is to include activities directly aimed at pr moting farmers' knowledge, understanding and skills in improv agricultural practices—ultimately leading to their adoption.

(1) *Conducting Demonstrations of Different Kinds*

(*a*) Conducting Composite Demonstrations on:

Rice	Maize	Bajra	Vegetables	Potato
Wheat	Tapioca	Ragi	Sugarcane	Chillies
Groundnut	American-cotton	Coconut	Banana	
Arecanut		Gram	Jute	

(*b*) Conducting Result Demonstration on individual practices, *e.g.*

Improved seeds	Compost and manures
Chemical fertilizers	Plant-protection
Grafted plants	Quality seedlings

(*c*) Giving Method Demonstration on Individual practices, *e.g.*:

Improved ploughs	Paddy roller
Spraying and dusting	Improved seed drills
Green manuring	Application of fertilizers
Seed bed and nurseries	Improved methods of plantii sets, tubers, etc.
Dolomite and lime application	Composting

(2) *Launching Campaigns on*:

Japanese method of paddy cultivation, Rat killing, Green manu ings, Composting, Membership campaigns for service co-oper. tives, Rhinocerous Beetle control, Locust control, Light-trape Fertilizer campaign, Pohli control, Pest control, Foliar spra Coconut manuring, Vanamahotsava.

(3) *Arranging and Conducting General Meetings*:

(Excluding those held for campaigns)

Film shows	Package of practices
Harvest festivals	Co-operative movements

(*Contd.*)

CONSOLIDATED JOB CHART—*Contd.*

(4) *Arranging and Conducting Training Camps for Training of*:

Progressive farmers
Youth leaders
Society level training
Gram Lakshmi camps
Mahila Samaj
Village leaders
Young farmers club
Blocks level training for society members

(5) *Arranging and Conducting Field Days on*:

Kharif demonstrations
Crop-competitions
Rabi demonstrations
Seed farms

(6) *Arranging Exhibitions at*:

Village level
Block level
District level

(7) *Arranging and Conducting Group Discussions on*:

Planning for future activities
Seed treatment
Local manurial resources
Demonstrations
Plant Protection
Preparation of farm production plans

(8) *Making Home and Farm Visits for*:

Giving and seeking information
Giving and seeking advice
Observation
Arranging supplies

(9) *Distribution of Informational Materials*:

Leaflets
Pamphlets
Bulletins
Magazines
Placards
Posters

II. PLANNING JOBS: It includes all activities directly related to developing agricultural production plans, *e.g.*:

(1) Helping farmers in making individual Farm Production Plans.

(2) Helping the Panchayats in developing Village Agricultural Production Plans

III. SUPPLY JOB: It is to include jobs like selling and/or distributing materials or arranging supplies through trade agencies or co-operatives, *e.g.*:

(1) *Selling, Distribution or Arranging Supply of Improved Seeds of*:

Paddy, Ragi, Potato, Vegetables, Jowar, Groundnut, Banana suckers, Fruit trees, Coconut, Green manure seeds, Hybrid maize, Gram, Sugarcane, Folder, American cotton, Rooted Pepper cuttings, Grafts, Barley, Pea, Jute, Dhaincha, Mustard, etc.

(Contd.)

CONSOLIDATED JOB CHART—*Contd.*

(2) *Arranging Supply of Fertilizers*:

Nitrogenous	Potassic	Sludge
Phosphatic	Mixed ferti-	Gypsum
Lime	lizers	(for soil correction)

(3) *Supplying Plant Protection Materials*:

B.H.C., D.D.T., Endrin, Folidol, 2-4-D, Blitox, Agalol, Hedanol, Fytolan, Rodenticides, Cooper-Sulphate, Bordeaux Mixture, Lindane, Sulphur, Zinc-Phosphide, Agrosan G.N.

(4) *Supplying Improved Implements, e.g.*:

Mould Board Ploughs	Jap weeder	Sugarcane
Seed Drills	Seed dresser	Ridger
Hoes and Harrows	Power sprayer	K.M. cultivators
Sprayers	Olpad thrasher	Puddler
Dusters	Irrigation pumps	Trampler
Oil engines	Tractors	

(5) *Making Supplies for Construction Materials used in Agriculture*:

Cement	Iron Sheet	Iron Rod
Zinc Sheet	C.I. Sheet	Barbed Wire

IV. SERVICE JOB: This is to include specialized services for helping farmers in raising good crops and in marketing the produce.

(1) *Helping Farmers in Getting Different Kinds of Loans*:

Crop Loan	Pumping set Loan	Cooperative Loan
Irrigation Loan	Short Term Loan	Land Development Loan
Cattle Purchase Loan	Package Loan	C.M.T. Loan
Tractor Loan	Medium Term Loan	I.M.S. Loan
Fertilizer Loan		
Productive Loan		

(2) *Helping Farmers in Marketing the Produce, e.g.*:

Rice	Potatoes	Coconuts
Gram	Banana Fruits	Jaggery
Chillies	Sugarcane	Arecanut
Groundnut	Ragi	

(3) *Providing Specialized Services on Specific Problems on*:

Collecting soil samples and giving reports with recommendations
Collecting diseased plant specimens and giving reports with recommendations.
Collecting water samples and giving reports with recommendations

(*Contd.*)

CONSOLIDATED JOB CHART—*Contd.*

(4) *Helping in Realization of Different Kinds of Loans*:

Short term loan	Electric motors
Medium and long term loans	Irrigation loan
Oil engine loan	Fertilizer loan
Land development loan	Cattle loan
Cooperative loan	I.M.S. loan

V. SUPERVISORY JOB: Supervising execution of plans:

(1) Supervising implementation of *Individual Farm Production Plans*
(2) Supervising implementation of Village Agricultural Production Plans
(3) Supervising *Crop Competition and Crop cutting Experiments*
(4) Supervising *Registered Seed Growers Plots*
(5) Supervising application of manure and plant protection

VI. ORGANIZATIONAL JOBS: This is to include jobs relating to formal organization, directly involved in agricultural production

(1) Helping in forming and guiding *Agricultural Sub-committee of Panchayats*
(2) Helping in organizing and guiding *Youth Clubs*
(3) Helping in organizing and guiding *Farmer's Forum*
(4) Helping in forming Co-operatives
(5) Helping in forming Cattle Breeder's Association
(6) Helping in forming Radio Rural Forums

VII. WORKS JOBS: This includes jobs relating to construction works in agriculture under different schemes, *e.g.*:

(1) Helping in preparation and execution of *Minor or Small* Irrigation Schemes, *e.g.*:

Wells	Open borings	Filter points
Tanks	Bore wells	Persian wheel
Small Tube wells	Nala bunding	Electric motor pump
Diesel Pump		

(2) Helping in preparation and execution of *Contour Bunding* and *Terracing Schemes*
(3) Helping in preparation and execution of *Jute Retting Tank Schemes*
(4) Helping in preparation and execution of *Irrigation Channel Schemes*
(5) Helping in preparation and execution of *Drainage Schemes*
(6) Helping in preparation and execution of *Land Reclamation Schemes*
(7) Helping in preparation and execution of *Pumping Schemes*
(8) Helping in preparation and execution of schemes for Dewatering Low Lands for raising Third crop.

(*Contd.*)

CONSOLIDATED JOB CHART—*Contd.*

VIII. OFFICE JOB: This is to include activities for maintaining office and complying with instructions from superior office and officer.

(1) *Maintenance of Records Relating to Agriculture*:

Demonstration register
Plan register
Stock register
Stamp register
Diaries
Follow-up register
Register of seed growers
Distribution register
Compost register
Cash receipt book
Target achievement register
Soil Samples register
Fertilizer distribution register
Fortnightly reports register
General information register
Inspection register
Loan register
Register of Agriculturists
Periodical register
Crop competition register
J.P.C. register
Dead stock register
Hire charge register
Personal register
Visitors register
Fertilizer demonstration Register
Green manure register
Free fertilizer register
Work register
Statistical register
Live-stock register
Implements Log-Book
Seed saturation register
Crop register
Programme register
Minor irrigation register
T-3 register (Fertilizer Taccavi)
Crop Survey register

(2) *Collection and Compilation of Data and sending Different kinds of Reports on agriculture*:

Weekly Reports: On seasonal condition, Improved method of paddy cultivation, Progress of farm production plan

Fortnightly Reports: Fortnightly diaries, Natural calamities, Receipt and Distribution of fertilizers

Monthly: Package programme reports, Equipment and Chemical Report on Plant Protection, Reclamation of Waste Land, Agricultural Activities, Crop Outlook Forest Report

Quarterly: Compost Report, Quarterly Progress Reports, Equipment and Chemical Report, Receipt and Distribution of Co-operative Society, Report of Soil Samples

Half Yearly: Local manurial resources

Yearly: Annual Progress Report.

(3) Attending to the visits of Superior Officers and Visitors
Visits by superior officers
Visits by visitors.

RELIABILITY AND VALIDITY OF THE JOB CHART

A scale or tool is accepted as standardized when it meets the necessary criteria of reliability and validity. The appropriate estimate of reliability in the present case, would be furnished by the extent of stability of the Job chart, *i.e.*, to what extent it gave the same kind of good result on repeated testing. For this purpose trial of the tentative job chart in the 12 districts may be considered as 12 replication of the same test. It was observed from the responses obtained from the 12 districts that the format of the Job chart, *i.e.*, the scheme for classification of the agricultural work of VLWs into major jobs, specific jobs, and job parts held good for each of the districts. This fact lends the necessary evidence towards the reliability of the Job Chart.

Of the many kinds of validity that are in use, the one which is the most important and appropriate for such a nominal scale as this Job Chart, is the content validity. The content validity is ensured when the tool covers the entire area or field it deals with. The consolidated Job Chart, which includes all the specific jobs and job parts mentioned under the 8 major job areas, by respondents from different districts, would now cover the entire field of agricultural activity of VLWs of those districts. So it follows that the consolidated Job Chart meets its requirement of content validity in respect of the 12 sample districts.

Ranking of Major Jobs According to Importance

Ranks to major jobs were offered by 40 Block Development Officers, 84 Agricultural Extension Officers, 46 Extension Officers for Co-operatives, 16 Panchayat Supervisors, 37 Village Level Workers of the most effective and 34 of the least effective categories. These respondents came from all the 12 sample districts.

Ranks offered to major jobs by groups of respondents and also by the composite sample, of respondents were analysed by the methods based on the paired comparison approach, *i.e.*, through X and Z matrices. Rank order correlations were then worked out to test the degree of agreement between the rank order offered by each of the groups of respondents and the rank order offered by the composite sample. The rank orders and the rank order correlation are presented in the following table:

RANK ORDER OF MAJOR JOBS OFFERED BY DIFFERENT RESPONDENT GROUPS AND THE COMPOSITE SAMPLE AND THE RANK ORDER CORRELATIONS

Major jobs	*Rank orders offered by*						
	All groups	*BDO*	*AEO*	*EO Coop.*	*PS*	*VLW-I*	*VLW-II*
Planning	1	2	1	2	1	1	1
Supply	2	1	2	1	3	2	3
Educational	3	3	4	3	2	3	2
Organizational	4	4	3	4	4	4	4
Works	5	6	5	5	5	6	5
Service	6	5	7	7	6	5	7
Office	7	7	8	6	8	7	8
Supervisory	8	8	6	8	7	8	6
Correlation of ranks offered by composite sample and other groups	* 0·952	* 0·905	* 0·952	* 0·952	* 0·976	* 0·905	*

Significant value of r at 1 per cent level of confidence for 6 degrees of freedom is 0·834.

* Singnificant at 1 per cent level of confidence.

Legend: BDO=Block Development Officer
AEO=Agricultural Extension Officer
EO Coop=Cooperative Extension Officer
VLW-I=Village Level Worker (Most effective)
VLW-II=Village Level Worker (Least effective)

In this correlation the rank offered by the composite sample of respondents was taken as the base for comparison. High correlation with this rank order indicated that there was good agreement between the ranks offered by the groups also.

It would further be noted that the major jobs can be grouped into two groups on the basis of their rank orders. The *high* group comprising the major jobs: Planning, educational, supply and organizational enjoyed ranks from 1 to 4 only. On the other hand, the *low* group consisting of the major jobs: works, service, office,

and supervisory was offered ranks from 5 to 8 by all the groups of respondents. This indicated that the jobs of the high group were considered to be more important in the package programme than those in the low.

CONCLUSION

The job chart developed in this study brings for the first time all the agricultural jobs of VLWs together, in a comprehensive list. This chart may be utilized for making total supervision of the agricultural work of a block, item by item. For this purpose each district should prepare its own standard chart by marking out the items relevant to its programme and area. The job chart would also help the VLWs in gaining fuller understanding of their jobs and in developing a systematic plan of work on its basis. In their training situation the job chart might be used for evaluating the adequacy and balance of the syllabus being followed at present for training them.

The list of records maintained and reports submitted by the VLWs of different districts would suggest that there might be some scope for rationalization and standardization of these records and reports.

It would appear from the list of specific jobs, that the agricultural jobs of VLWs are much varied in nature and also quite heavy. It would, therefore, seem necessary to consider whether it is at all possible for a single functionary to perform these jobs sufficiently well or up to the desired standard. If not, administrators might think of some suitable plan for departmentation of work at the operating level of the programme.

Ranking of major jobs brings out their relative importance in the package programme. This information will help in laying due emphasis amongst the various jobs, in matters of execution of plans by the VLWs, in supervision of their work by the Extension Officers, and in their training in the training centres.

TRAINING OF MUNICIPAL EMPLOYEES IN THE NETHERLANDS

R. S. Gupta

THE decentralized system of government, as it exists in the Netherlands today, is formed on the basis of the Municipal Act of 1851, which originated from the directives contained in the Constitution.[1] The Netherlands is composed of eleven provinces and has a population of 12,535,307 inhabitants distributed over 942 municipalities (*gemeenten*).[2] The Act regulates the organization of the municipalities, their legal powers and activities. It does not distinguish between different categories of municipalities and makes no distinction either between small and large or between urban and rural municipalities, and in principle gives the same powers to all municipalities in order to allow them to effectively carry out their functions. Thus, the local authorities have the right to make laws governing the local economy (*de huishouding van de gemeente*). Although the concept of 'local economy' has not been clearly defined, one could say that the municipalities have the right to issue regulations concerning a matter of public interest, if such a matter has not already been taken care of either by the provincial or the Central Government.

Before the present Municipal Act came into being, the King used to appoint the Burgomasters[3] and a number of aldermen in the municipalities. The Burgomaster, even today, is responsible, above all, for guarding the public interest in its wider sense and, at the same time, he is the first citizen of the municipality to whom the inhabitants approach with their problems, especially in smaller places. The office of Burgomaster is not honorary, as even in the smallest municipality, he is a full-time, paid official. The College of Burgomaster and Aldermen (*Burgemeister on Wethouders*) is responsible for the day-to-day administration of municipal affairs, except in regard to law and order, public security and fire service, for which the Burgomaster himself is solely responsible. Now-a-days the aldermen are chosen

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[1] *The Position of the Municipalities in the Netherlands within the General Structure of the State*, The Hague, Government of the Netherlands, 1961, p. 4.

[2] Figures as on January 1, 1967, supplied by the Central Statistical Bureau, The Hague.

[3] Mayor is known as 'Burgomaster' in the Netherlands.

by and from among the elected members of the local council, which is the supreme authority in the municipality, and the Burgomaster is appointed by the Central Government on the proposal of the Royal Commissioner of the province.

Every municipality in the Netherlands is free to recruit its own personnel according to its needs and can establish its own personnel status regulations. The aim of recruitment for the local government service is to attract young persons who have completed their school education. The personnel in the service of Dutch municipalities can broadly be divided into the technical (town planners, engineers, architects, health officers, etc.) and the non-technical. The non-technical personnel is sub-divided into the group of administrative officers and the personnel who carry out the day-to-day administrative activities (book-keepers, etc). As regards the technical functions, the candidates should hold the certificate of a technical school or, in the case of higher positions, the diploma of a technical high school which is equivalent to university level.

The administrative officers are those whose task is more or less directly connected with the preparation and execution of municipal government policy. These officers are divided into lower, middle and higher ranks. Completion of elementary education (9 years) is the minimum requirement for admission to the lower ranks (clerical class). Admission to the middle ranks, at least in the larger municipalities, requires general education of the level of secondary school; in the smaller municipalities the required minimum is primary education and in addition a vocational diploma of intermediate level. Whereas, an academic training is required for admission to the higher ranks, or some training and experience which guarantee a similar level.

NEED FOR TRAINING

It was in 1883 that a private association of Burgomasters, town clerks and senior officers of the municipalities, known as the Netherlands Association for Municipal Interests (*De Nederlandse Vereniging voor Gemeentebelangen*),[4] came to the conclusion that the establishment of certain requirements for examinations and resulting certificates would improve the standard of professional knowledge and stimulate the desire to better one's position by study. It is strange to realize

[4] Its budget is financed out of the funds of municipalities and provinces which are its members. There is an annual general body meeting in September every year when the member municipalities and provinces send their representatives who vote the financial accounts of this Association and approve its activities of the year.

that examination requirements were fixed by this Association, nothing was done about imparting the instructions in order to prepare the candidates to appear for these examinations. It was left to the candidates to read and equip themselves by the self-tuition method, making use of books written by some experts on the subject. Thus, important role was played in the beginning in the field of training by the Unions of Municipal Officers in the Netherlands.

This certificate course, established in 1883 for Local Administration, is still required for the medium rank positions in the municipalities. The principal subjects covered here are constitutional law, municipal law, some aspects of administrative law, housing, education, social care and the main outlines of civil law.[5] It gives insight into the structure of the State and its relations with the local government, and provides the trainees with some skill in solving practical problems which are not of complex nature. It is the basic training given to the junior local government employees. Although no entrance examination is required for entering the local government service, the qualification of at least a Junior High School Certificate to appear in the examinations for Local Administration-I(LA-I) means that a youngman who wants to be promoted to the medium administrative ranks, entering the service between the age of 16 and 19 years, should possess at least such a certificate. These young people, who enter the service after completing their junior school, start as a rule on the first day of September. The requirement of 2 years of practical experience before one can sit for the LA-I examination, which takes place in April, means in practice that an employee has done two and a half to three years' service before appearing in this examination. In brief, it can be said that the LA-I Certificate, which was started in 1883, is still required by almost every local authority in the Netherlands for all, except the lowest ranks.

With the growth of more complex problems, the need for speciaized training in certain fields like finance, etc., led to the founding of course in Local Finance in 1916.[6] This course was considered to e of specialized nature where generally candidates came after passing 1e LA-I examination, although this was not an essential condition. he contents of this course are: book-keeping, local finance, economics, arious taxation acts and financial paragraphs of several administrave laws. The candidates who have not passed the LA-I examination re also supposed to qualify in the constitutional and municipal laws.

[5] Union of Netherlands Municipalities, *Training of Local Government Administrative ficers in the Netherlands*, The Hague, 1964, p. 1.
[6] *Ibid.*

in addition to the above subjects. The requirements of this course are also established and examinations conducted by the Netherlands Association for Municipal Interests. It is also an evening course of about four years duration, with an intermediate and a final examination.

With the growth of municipal problems, need was felt for giving advanced training of a higher level to the municipal employees. Keeping this end in view a new course, *viz.*, Local Administration-II(LA-II) was established in 1938 by the Netherlands Association for Municipal Interests.[7] The aim of this course is to widen the horizon of the municipal employees who are working either in the middle ranks of large municipalities or in the top positions of the smaller municipalities. This is an advanced course but mainly juridicial in nature. It is again an evening course and takes nearly five years with an intermediate and a final examination. The first part of the curriculum includes subjects like: introduction to law, constitutional law, civil law, law of civil procedure, and principles of economics; and the second part includes: municipal law, principles of administrative law, criminal law, law of criminal procedure, and local activities, such as housing, town-planning, public health, education, law and order, etc. In order to appear for the LA-II examination, a candidate must have passed the LA-I or the Local Finance Examination, or should hold a Bachelor's Degree in Law, or a Teacher's Certificate in Constitutional Law or Economics. Although this course cannot be compared with the courses at universities, its standard aims at nearing the university level.

In the beginning, this course did not receive the attention it should have received. The Institute of Administrative Sciences, together with the Netherlands Association for Municipal Interests and a number of unions of municipal officers created a foundation of central training for the LA-II course, and this resulted in an increased interest in this training course. At present, there are about ten oral courses arranged by this foundation as well as private individuals, generally with senior officers as instructors. In addition, there are some institutes which run correspondence courses. This training is also completely in the hands of private organizations and the candidates have to find their study time after office hours or during the week-ends.

I

NEED TO RE-ORGANIZE THE TRAINING

Soon after the Second World War the problems of cities grew manifold, partly due to the devastation of the cities during the War

[7] *Union of Netherlands Municipalities, op. cit., p. 1.*

and partly due to the increase in population. Besides these two factors, the third factor was new inventions of science and technology—techniques like cybernetics—which forced the civil servants to adopt new methods which were more quick and efficient. All these factors made it necessary that the civil servants should be well trained to perform their functions well. It was also realized that the system of training which was started in 1883, no longer suited to the modern requirements of public administration for the local government employees because of the following reasons: (*a*) The training which was given by private individuals was not subject to supervision. Hence the soundness of training was not guaranteed. (*b*) It was juridicial in character and gave too much attention to legal details than looking at the problem from the point of view of administration as a whole. (*c*) It was directed towards the acquisition of factual knowledge only and not in acquiring the insight into the connection between the whole and the parts of the task of government as such.

In view of the above shortcomings, the Institute of Administrative Sciences, the Hague, set up an Advisory Commission to study this matter in 1959, and to report on the possibility of devising a basic training course for the provincial and municipal officers. This Commission, comprised of about 20 experts, drawn from municipal, provincial and central governments, as well as the universities and other professional bodies; and was headed by Dr. L. G. van Reyen, at that time a senior officer in a provincial government. The Commission submitted its report on October 1, 1962, suggesting a general training course for middle rank local-government officers (*Algemene Middlebare Opleiding*). It also suggested the setting up of 12 to 14 regional training schools for local government officers, spread over the 11 provinces of the country, to be organized under the supervision of a coordinating board representing the boards of schools, the Institute of Administrative Sciences, the Association of Municipal Interests, and a few other Unions representing the municipal officers, etc.

TRAINING SCHOOLS

The report of the Commission was, on the whole, well received in the country and, since then, nine new regional training schools[8] have been set up, in addition to the school which was founded in the province of Friesland for the training of local government employees;

[8] Most of these training schools have been established by an agreement between the provincial government and the municipalities of that province. A Board decides the broad policies of the training programme and appoints the Director of the school. All participating municipalities contribute to the costs of the schools, which is usually on the basis of their population, as well as the number of trainees they send for training.

and it is expected that the local authorities in the remaining provinces will follow suit. The Commission designed a basic training course to prepare the candidates for the position of middle ranks in the municipalities and the provincial governments. (For the details of the course and the number of hours allotted for different subjects, see Appendix at p. 362. However, certain alterations have taken place, mostly covering the number of hours spent on certain subjects, but, on the whole, the principles laid down in the report have been put into practice. The Commission had suggested that the course should be organised as a day school for 1½ to 2 days in a week (9 to 12 hours of lessons), altogether taking 3 years, each class having a group of about 15 trainees. As the absence of municipal officers during 1½ to 2 days a week has shown to create difficulties, especially in the smaller municipalities, it has been considered necessary to lessen somewhat the 1,000 hours of study proposed by the Commission, and not to spend more than 1 or 1½ working days in a week at the new schools. Thus, the LA—I course, which had started on the basis of private tuition, has been taken over by these schools and the instructions are now-given during the office hours by the senior officers of the municipalities and the provincial governments.

However, it may be pointed out that in those schools where the first batch of trainees have passed out the LA-I Course, have started the L.A.-II Course. For instance, the training school in the province of North Holland at Haarlem, or the school in the province of Utrecht have started the Local Administration-II Course from September 1967, and it is expected that soon these schools will also start the course on Local Finance.

Training given by the Institute of Administrative Sciences

The Institute of Administrative Sciences[9] in the Netherlands is primarily concerned with the supervision and coordination of education and training given to the public employees in the country. One of the important tasks of this Institute is to consider the future development of training problems which the civil servants are facing. The Institute's Advisory Committee on Education and Training is the 'thinking cell' in this respect.

The courses like L.A.-I., L.A.-II, and Local Finance are considered more in the nature of education, which are conducted by the

[9] It was set up by the Netherlands Union of Municipalities on January 1, 1939, with a view to promoting the study of public administration with special reference to local government.

training schools in the country. The Institute of Administrative Sciences organizes conferences, seminars and study groups on some subjects of topical importance, which are attended by the senior and middle-level officers of municipalities, provincial governments, burgomasters, and the elected representatives of the people. The idea of such conferences is to bring the officials and elected councillors of different municipalities together and give them an opportunity to exchange their views and experiences. The Institute has about 90 study groups all over the country, which are sub-divided into the following categories:

(1) Municipal Administration, (2) Education, (3) Housing and Town Planning, (4) Municipal Finance, (5) Personnel Administration, (6) Records Management and Archives, (7) 'Waterstaat'[10] Law and Polder Board Administration.

In addition to these study groups, the Institute also organizes the 'study days' for different categories of officers, to be held once a year. These are two to three days' conferences held somewhere in the middle of the country where full accommodation is provided to the participants. Only officers dealing with the subject generally attend such 'study-day' meetings. For example, if the subject is concerning financial affairs, then officers dealing with finance will generally attend. Recently the topic of documentation and archives has become very popular. On the other hand, if it is a general topic, the Burgomasters, aldermen and councillors are also invited to attend. These 'study-days' are meant for the senior-most officers in the field.

Besides these conferences and 'study-days', the Institute also organizes specialized classes on subjects like personnel management. These classes are held at three different places in the country, *viz.*, The Hague, Eindhoven and Zwolle. The total period of this course is 4½ years and it is divided in two parts. Part I deals with juridicial aspects and Part II with modern staff management. The subjects covered in Part I are: constitutional law, municipal law, civil service law, social insurance law, some aspects of administrative law, and civil service regulations. Part II covers subjects like: organisation and management, statistics, economics, society and modern social trends, psychology, and lessons in discussion techniques. The method of teaching covers lectures, group discussions and case-studies. At the end of each part there is a written and an oral test and the successful candidates are awarded a diploma by the Institute. It is, however,

[10] "Waterstaat" comprises everything connected with water control, including the building of canals, roads, bridges, locks, etc.

intended that as soon as the training schools have established themselves, this course will also be transferred to them.

The Institute also organizes many short-term refresher courses in various fields, like Physical Planning and Housing, Polder Boards' Administration, Municipal Police Administration, as well as courses on new Acts and Legislations.

Training given by the Bureau of Personnel Management and Organization of the Netherlands Union of Local Authorities

This Bureau is one of the four Bureaux[11] of the Netherlands Union of Local Authorities.[12] Its primary role is to give advice to the municipalities and water boards for the solution of their administrative problems in the fields of organization and methods, work study, and personnel management. Besides this consultancy service, the Bureau is also conducting some training courses in the following specialized fields for the staff of the local authorities.

S. No.	*Name of the Course*	*Year of Starting*
(1)	Principles of Organization and Management	1963
(2)	Principles of Work Study	1963
(3)	Job Classification	1963
(4)	Rating of Personnel	1964
(5)	Functional Analysis	1965
(6)	Principles of Automatic Data Processing	1967

These courses are generally conducted at some central place in the country and their duration differs from course to course. The lectures are generally given by the officials of the Bureau who are busy in solving the day-to-day problems of the municipalities. The trainees

[11] The Union has four specialized bureaux, *viz.*, the Central Audit and Financial Advice Bureau, the Bureau of Personnel Management and Organization, the Records Management Bureau, and the Central Purchasing Bureau, and also gives technical guidance and advice to municipalities on legal, planning and other specialized matters. *Union of the Netherlands Municipalities, Organization and Activities*, The Hague, 1966, p. 5.

[12] This Union came into being in 1916, and all the municipalities in the Netherlands are its members. As a representative of the interests of all municipalities, the Union, ever since its inception, has devoted its maximum attention to the defence of local autonomy. The Union's efforts deal with both: (*a*) passing of general regulations which are in the interests of municipalities, and (*b*) watching that no legislation is passed by the Central Government which is going to affect the interests of the municipalities. It has now become an accepted fact for the Central Government to seek the advice of the Union of Municipalities in any field of the local government. *Ibid.*

are deputed to these courses by the municipalities and the maximum number of persons taken in each course is twenty. There are no tests or examinations at the end of each course, but after a period of about two years, a two-day conference is held where all the persons who have attended these courses are called to exchange their experiences and ideas. These conferences are in the nature of follow-up of the courses.

II

So far the training and education programmes of the municipal employees in general have been examined. However, the problems of bigger municipalities are different from the problems of the middle-sized or smaller municipalities. In the bigger municipalities, for instance, the number of lower grade administrative officials is very large. In addition, there are a great many manual workers and lower grade technical staff. Hence in large cities the problem of education and training mainly lies with this large group of lower grade employees. In the middle or smaller cities the problem is rather that of all-round professional training for the clerical staff of the municipalities. Notably in the large cities, therefore, there is a need for introductory or general training courses. These big municipalities are doing something about it in their own way. Let us take the case of the city of Rotterdam, which is the second largest city in the Netherlands, and see how training programmes are organized by the municipality for its lower grade employees.

TRAINING PROGRAMMES OF THE CITY OF ROTTERDAM

When Rotterdam was liberated from the German occupation in May 1945, the city government faced heavy responsibility of rebuilding the city and the port of Rotterdam in the shortest possible time. It required enormous manpower, but this newly appointed staff had to acquire certain basic knowledge about the structure and organinization of the municipal government, and that too in a very short time. The senior officers of the municipality then decided to organize short courses to train their newly appointed junior colleagues. Soon, however, they realized that this training only by means of a few lectures was not adequate enough to train the new employees. On December 5, 1958, the College of Burgomaster and Aldermen of the municipality of Rotterdam appointed a committee to study the problem of education and training for its lower and middle grade administrative staff. This Committee submitted its report in December 1959; and on March 18, 1960, the College of Burgomaster and Aldermen

gave their consent to launch the new training programme, which was known as the Education for Administrative Civil Servants (*AAV*). This *AAV* programme, which started in October 1961, covers four basic courses, *viz.*, the General Introduction Course, the Orientation Course, the *AAV*-A Course, and the *AAV*-B Course. Brief description of each course is given below.

(1) *The General Introduction Course*

This course is obligatory for all newly appointed civil servants of lower and lower-middle ranks. The aim of this course is to give an overall idea of the functions of the municipality where all heads of the departments tell the activities of their departments. The duration of this course is 10 weeks, and lessons are given once a week during the office hours for a period of 1½ hours. The summary of each lecture is sent a week in advance to the trainees, and every lecture is followed by discussions.

(2) *The Orientation Course*

This course is designed for those civil servants who join the municipal service at the middle or upper middle level after having served some private enterprise for some years. This course, generally speaking, is not conducted during the office timings. However, lessons could be arranged during the office hours, if a departmental chief so requires for his staff. The total duration of this course is 8 lessons of about 2 hours each, wherein subjects like organization and general administration of the city government is covered.

(3) *Education for Administrative Civil Servants—AAV-A*

This is entirely a voluntary course, in which civil servants possessing advanced elementary education can participate. This is a one-year course where two lessons of 50 minutes each are given every week after the office hours. The subjects taught here are: organization and management, industrial relations, status of civil servant, and correctly writing and expressing in Dutch language. At the end of the course there is an examination and the successful candidates are awarded a certificate. This certificate carries some weight in the promotion chances of an employee.

(4) *Education for Administrative Civil Servants—AAV-B*

The employees who have qualified in the AAV-A examination can join this course. The subjects taught here are: political science,

municipal law, civil law, public finance, social relations, social insurance, principles of economics, industrial relations and report writing in Dutch language. The method of teaching employed here, besides lecture-discussions, is case-study. The case, which is taught during the year, is selected very carefully. For instance in 1964, the case taught was 'the Rotterdam airport'. In the first period the case is discussed from different angles and in the second period the students are supposed to write a short note on it. Thus, the case-study aims to test the insight gained by a student—whether it has cultivated an independent thinking in him or not. At the end of the two-year period there is an examination and the successful candidates are awarded the certificates. The candidates, after qualifying this examination, can hope to be appointed in the lower-middle administrative positions in the Rotterdam municipal government.

Besides these four basic courses, there are other courses too run by the municipality for its staff. For instance, there is a course on 'files management' designed primarily for those who deal with the files or with the registration of mail and documents. Similarly, for the technical staff of the Public Works Department, who come in contact with the English-speaking experts, there is a course on English language,where they are taught the technical terminology in English. The Education and Training Bureau of the municipality of Rotterdam is shortly going to have two more courses: one on computer orientation—to make the civil servants familiar with the problems of automation; and the other on report writing for the technical civil servants.

For all these courses the instructions are imparted by the senior civil servants and division heads of the municipality. The total strength of the municipal staff in Rotterdam is about 20,000, out of which about 2,000 employees are doing one course or the other. Besides these courses, which are primarily meant for the lower staff, the municipality also encourages its middle-grade employees to do the LA-I and II courses and deputes officers to attend the conferences and seminars which are conducted on specialized topics by the Institute of Administrative Sciences or the Bureau of Personnel Management and Organization of the Netherlands Union of Municipalities.

The System of Examination

As pointed out earlier, the examinations of the Local Administration I and II, and the Local Finance courses are held and requirements laid down by the Association of Municipal Interests. This

Association came into being in 1883, and is pioneer in the field of training in the Netherlands. The Executive Board of this Associatior appoints the examiners for different subjects. This Board consists of eight persons, *viz.*, two Burgomasters, one ex-Burgomaster, two municipal secretaries, one director of the bank of Dutch municipalities, one secretary to the provinces of Holland, and the president of the Association. At present the ex-Burgomaster is the chairman of the LA-I examination, the secretary of the provinces of Holland is the Chairman of the LA-II examination, and the director of the bank of Dutch municipalities is the chairman of the Local Finance Examination. These respective chairmen play a major role in appointing the examiners for different papers, who generally are senior officers in the municipal or provincial governments. As a rule a person teaching a certain subject is not appointed examiner for that paper. These examiners, whenever they come to attend the meetings in connection with the examination work, are paid their travelling and hotel expenses; but as such are not paid any remuneration for setting the examination papers.

Formerly, a candidate could not appear more than five times to clear the LA-I examination, but now this restriction has been lifted. All these written tests are followed by the *viva voce* examinations, and the candidates clearing all the requirements are declared successful and awarded the diploma.

CONCLUSION

From the above description it is clear that in the Netherlands it was realized as early as in 1883, that the performance of the employees cannot be improved unless they are well trained. Thus, the training of municipal employees had started in the late 19th century by the senior officers of the municipalities on a private basis. However, the soundness of this training was not guaranteed as it was dependent on the self-tuition method and the candidates were left to equip themselves by whatever means available to them. The importance of training was realized by the municipalities after the Second World War when they realized that the problems the cities were facing were so complex that the traditional way of running the administration with ill-trained staff could not solve them. The credit for bringing this change and to a great extent in modernizing the whole system of training must be given to the Netherlands Institute of Administrative Sciences, The Hague, which has done a lot of thinking and research on the future requirements of administration at all the levels, particularly the municipal level, where most of the plans are carried out in the Netherlands.

Formerly, the tuition was private and the trainees had to bear full expenses of training, and the lessons used to take place either after the office timings or on Sunday and holidays. However, with the realization of the importance of training by the municipalities, part of the training cost is borne by the municipalities and the lessons are given during the office timings by the recognized experts in the field. Now, if an official makes a request to the municipality, he is granted 50 to 75 per cent refund of his tuition fee, travelling expenses and sometimes even the cost of his books, out of the municipal funds, depending whether the official is bachelor or married. Some municipalities with progressive outlook, like the municipality of Delft, do not make any distinction between the married and unmarried employees and reimburse 75 per cent cost of the training to all the employees. In addition, if an employee clears the examinations in the first attempt, he is reimbursed the full cost of training. Thus, the municipalities have provided enough incentives to their staff to undergo more and more training courses and even depute their senior staff to attend the conferences and 'study-days'.

Nine regional training schools have already started functioning in the country and it is expected that the remaining provinces will shortly start the training schools. When all these schools have established themselves, it is expected that all the training courses which at the moment are being run by different agencies, would be taken over by these schools and the examination requirements would be laid down by the Netherlands Association of Municipal Interests, maintaining uniformity of standards throughout the country. The Netherlands Institute of Administrative Sciences, The Hague, would then only confine itself to research work and conducting seminars and 'study days' for higher officials and elected representatives of the people.

Besides the big municipalities of Amsterdam or Rotterdam, which are having their own training programmes and 'Introduction Courses' for their subordinate staff; the Institute of Administrative Sciences, The Hague, is also bringing out a report recommending such 'Introduction Courses' for the newly recruited staff even of the medium sized or smaller municipalities.

Before closing this paper a word of caution must be said about the proper recruitment and selection of municipal personnel. The system of training is very closely associated with the recruitment of employees. However, training is no substitute for the proper recruitment and selection, and the municipalities should be careful in the

selection of right personnel, as no amount of training will do good if a wrong person is selected. Thus, proper recruitment and selection is the "cornerstone of the whole public personnel structure".[12] All over the world the civil service regulations are such that once a person has been selected and confirmed in the government service, it is very difficult to turn him out, and the Dutch municipalities are no exception to this. Hence, it is in the interest of municipalities that they should have a well-developed system of selection, based on the principle of merit. We have seen that some aspects of personnel administration are highly advanced in the Netherlands, like merit rating or training of municipal employees; however, it is time that proper selection of personnel on the basis of merit, based on competitive examinations, should be introduced gradually. After proper selection or recruitment the training will also be more meaningful.

[12] O. Glenn Stahl, *Public Personnel Administration*, New York, Harper and Bros., 1956, p. 59.

APPENDIX

Draft Programme of a General Secondary Training in Provincial and Municipal Administration

Grouping of the subjects of study, stating the target number of lesson hours.

		Target number of lesson hours (without test-papers)
INTRODUCTION		
I. Introduction (28 hours)		
(1) Outline of the organization and the administrative system of the municipality (the main provisions of the Local Government Act and a sketch of the organization of a small and a medium sized municipality).	15	
(2) Broad outline of the organization of the State and of the provinces	10	
(3) The civil servant	3	28
MAIN SUBJECTS		
II. *Society* (65 hours)		
(1) Social relations:		
(*a*) Simple sketch of the place of the administration (particularly the municipal administration) in society	10	
(*b*) Spiritual and social groups (trends)	15	25
(2) Operation of the national economic system, economic institutes, economic history, economic groups		40
III. *Law* (335 or 355 hours)		
(1) Introduction		20
(2) (*a*) Constitutional law (provincial law included)	50	
(*b*) Essentials of constitutional history	10	
(*c*) International organization	10	70
(3) Municipal law (municipal finance included)		100

		Target number of lesson hours (without test-papers)
(4) Administrative law:		
(*a*) Some administrative statutes of varying structure	50	
(*b*) Introduction into the study of administrative law	20	
(*c*) Administrative law governing certain domains of government care (including civil service regulations and elements of labour law and social insurance law)	30	100
(5) Civil law and a few essentials of criminal law and of criminal procedure		35
(6) Civil registry (optional)		30
IV. *Organisational and administrative aspects of the activities of a municipal administration* (50 hours)		50
(1) Public order, public safety and public morals		
(2) Civil registry (population registry, registry of births, deaths and marriages, registry of voters, registry of conscripts)		
(3) Public health, housing, physical development		
(4) Economics, public utilities		
(5) Social welfare		
(6) Education and culture		

GENERAL EDUCATION AND ADMINISTRATIVE SKILL
(Practical Lessons)

V. *Dutch Language* (50 hours) Style, choice of words, logical construction of a letter, etc.		50
VI. *Administrative skills* (45 hours)		
(1) Administrative appliances	7	
(2) Organization of work and working methods	5	
(3) Working conditions	5	
(4) Statistics	10	
(5) Task of auxiliary departments (registration and filing, staff management)	10	
(6) Civil service regulations (see also 1-3) (the relation which the civil servant bears to the government, to fellow-civil servants and to the public)	5	
(7) Information of the public, public relations, relations between the administration and the press	3	45

	Target number of lesson hours (without test-papers)
VII. *Exercises* (200 hours)	
(1) Practical exercises	100
(2) additional exercises (discussions, council-meetings, excursions, etc.)	100
VIII. *Lectures* (80 hours)	
(1) regional problems	30
(2) other lectures (2 hours a piece)	50

Further information about the duration of the training and about hours of study.

The study is to be completed in 3 years; the number of lesson-weeks is 35 during the first and the second year, and 30 during the third year.

Holidays are: summer vacation of 11 weeks and about 6 weeks of Christmas, Easter, Whitsun and the national high days.

Hours of study are planned as follows: in the beginning 9 hours (1½ days) a week; as from about half-way the first year 12 hours (2 days) a week; this number of hours will gradually decrease in the third year to 6 hours (1 day) a week.

In this manner a total of about 1,000 lesson-hours will be reached for the whole course.

COMMENTS

[*In this feature we give comments on the articles published in the previous issues of the Journal. Readers are, therefore, requested to send in their comments on the articles published in this issue by November 1, 1968 for inclusion in the Oct.-Dec., 1968 issue—Ed.*]

FUTURE OF GENERALIST*

THE argument for a professionalized future generalist with no radical change in the administrative system assumes that the present system matches the essential needs of a democratic Government. Whereas this is debatable, the arguments for the generalist of today visualising him in future to be a professionalized person as against the specialist of today who is really a professional man, are unconvincing. At the outset, the skills categorized as required for the administrators as managerial and political is the basis for this plea. Such categorization when viewed in the context of the available literature in public administration seems more a convenient base for the argument than anything more.

It is accepted in the current literature in public administration that administration is getting things done, the framework of which is called organization and the technique of getting things done is called management. Broadly, administration is organization plus management, and administration coming from the genus of co-operation requiring effective coordination deals more with policy making at higher levels of an organization. Above all, the main distinguishing factor in public administration is that it is political in character, and this is inescapable. The degree and extent to which the political aspect permeates any organization requiring the skill of an administrator to deal with it in an effective manner depends on the type, size and the level of an organization, *viz.*, whether it is the highest level of governmental organization (*i.e.*, Cabinet with overtones of parliamentary and judicial implications) or the single large unit of a government (*i.e.*, State Trading Corporation or Employees State Insurance Corporation) or a smaller unit of the part (*i.e.*, panchayat government). Neither generalists nor specialists can escape the political aspects and thus they cannot be devoid of political skills; it is only a question of degree depending upon their level of responsibility and position in the set-up of public administration. Therefore, the author's classification of administrative expertise into managerial and political skills is a superficial one.

Likewise, the author's contention that in a totally arbitrary and dictatorial system, the administrator need not operate within certain constraints is also a false premise. Even in an arbitrary and dictatorial system,

* The original article of this title by Shri R.P.Khosla was published in this Journa in Vol. XIV, No. 1 (Jan.-March), 1968.

the administrator needs to have political skills because government, above all, is an organization. As an organization dealing with citizens, it is a nurturing source and product of the society. In the words of Appleby, "a complex society and complex government are necessary complements. 'Administration' is a broad term involving policy making as well as execution. Management involves the same intermingling of policy making and execution; but it is more assigned arbitrarily to a lower level and is used to signify executive action with least policy making significance." At each successive higher level of governmental organization, the policy element may increase and anybody making policy for an organization needs to look at things in their entirety, and this is no prerogative of either the specialist or the generalist. Neither can claim the monopoly of expertise in this respect.

It is true that basic administrative skills cannot be fully acquired during the course of a training and in the same way it cannot also be guaranteed that by placing a man in various positions for a length of time, he may be made to acquire it. Practical experience of a process in any one field gives certain action-reaction results as practical guidelines to a person, for decision making in that field of activity. A specialist is not handicapped in acquiring this. For example, administrative functions, forces and interests which the B.D.O. (or the Collector) comes across, also touches the C.M.O. or the District Medical Officer of Health. He has to contend with the popular sentiments and political pressures in the same way as the Collector, when recommending for the establishment of a Primary Health Centre or in dealing with a Zila Parishad.

The author argues that the career of a specialist is planned by itself. This is really not true. It is true that in the extreme case of a Neuro-surgeon or an orthopaedic surgeon, it is directed in a certain way because of the qualifications but it is not so well planned as in the case of an I.A.S. recruit. In the situation as it exists today, more often the specialist of the type described in the previous sentence needs to look for an administrative position for his career advancement. An I.A.S., as a lineal descendent of the I.C.S., has a definite place in the organizational structure of our governmental administration. In the nature of things as they are today, policy making at the top is their prerogative. This by itself does not prove one way or the other that the specialists are bad in political skills or policy making, nor does it prove that the existing pattern is unquestionable. To meet the essential needs of democracy, policy making needs to be shared by all—specialists not to be excluded. If specialists are included at that level, it would bring about meaningful and purposeful professionalized generalist policy making, taking into account an overall picture, yet not damaging the coordination base which is the fulcrum of a generalist at present.

An examination of the categories of persons in government on the basis of: (*i*) specialized qualifications, (*ii*) application of precise laws to decisions, (*iii*) job changeability, (*iv*) coordinative skills, and (*v*) contact with the public, is misleading. But, one will agree with the author when he says that the ability to place common good above technical excellence, the

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[1] Paul Appleby, *Policy and Administration*, Alabama, University of Alabama Press, 1949.

ability to perceive wider implications of a decision, the ability to coordinate and bring together the diverse elements which together influence decisions and policy are products of experience and not of training alone. One would also agree with him that an essential element of this gamut of experience would be an experience of field administration and, in this the district administration is an extremely important ingredient. But the district administrator of today starts as a Revenue Administrator, plays the role of a Development Administrator, and also a grand coordinator of other district administrative agencies like health, police, public works, agriculture, etc. In view of this background, one wonders how he can claim the monopoly of the necessary experience and assert that the basic feature of the training and career pattern of other district field administrators does not have the type of necessary experience built-in in them. As the author points out, if it is important to think in terms of 'assignment of functions rather than the status factors', the present personnel administration's structure needs a radical change. Perhaps with this in mind Paul Appleby, in his first report on the 'Indian Public Administration', called India's personnel administration as feudal. Nobody can be a specialist in everything nor can anybody be a specialist by profession over the various specialists. The various all-India services like, I.P.S., I.F.S., Indian Income Tax Service, Indian Customs Service, etc., are specialized services by the very nature of the subject matter. Similarly, the so-called generalist is also a specialist in revenue administration to start with, but he has carved out his position with the onward movement of India's administrative history, rather than through any consciously designed policy as such. If these administrators can claim to acquire a broad spectrum, so can the scientists and specialists. The author in his article pleads for the allocation of a definite subject matter for a generalist (p. 53, para 3). Does this mean that 'professionalized generalist' should be under a 'Position Classification System' as in U.S.A. rather than in a 'Career Type System', as it is now? Perhaps this is the problem the Administrative Reforms Commission is tackling, when it says that higher levels of administration should be open to all professions including scientists, specialists, etc., so that administration is broad based and more competent.

The example of U.S.A. by the author is misleading. The specialized units of the executive departments charge ahead in their own way *not* because of the lack of a unifying general administrative service but because of the operational forces inherent in the U.S. Constitution which permits departmental heads to appear before the Congress for appropriations. The system of administration in U.S.A. is unified by hierarchy but is divided by the separation of powers principle written down and practised through U.S. Constitution. Canada would be an example to cite since it is under a 'Position Classification System' not having disadvantages similar to the U.S.A. To cite a specific instance, the personnel regulations stipulate that a Deputy Minister of the Health Department (Secretary to Government) shall be a medical doctor, and this has worked well.

On all these counts, if the future generalist as recommended by the author is going to be in a 'distant profession' he will cease to be a generalist. As a professionalized generalist he will be a scientist or specialist with deeper appreciation of administration as such, to get things done, and to deliver the goods. This is an inescapable trend of the time. In the meantime in

defence of generalists, one wonders how the innovation of making him a specialist called 'professionalized generalist' meaningfully fits in.

—N. V. RAGHURAM

II

Defining the role of physicians in the administration of health services is one of the major concerns of students of health administration. In this context, Shri R. P. Khosla's views on the future of the 'generalist' in administration are of considerable topical importance.

The author has recognized that with the disappearance of the colonial administration and with the rapidly increasing importance of technological considerations in governmental decision making, "the whole concept of the role and functions of government as well as the methods of work have changed. . ." He has, however, put across certain arguments to contend that even under such changed conditions the generalist continues to be the best person to shoulder the responsibilities of the chief of a government department, including those which have a major 'technical' bias, *e.g.*, health, family planning, public works, etc. He has, therefore, pleaded for continuance of the old tradition of having a generalist administrator at the apex of all government departments.

The two major premises on which the author bases the case for the generalist are:

(1) The generalist is actually as much a professional 'expert' in his field as physicians, lawyers or engineers are in their respective fields, because he possesses 'administrative expertise', which includes managerial as well as political skills. The key to the acquisition of such an expertise, according to the author, is "career planning", which "provides him with a reasonably representative cross-section of experience in organizational management, programme planning, field administration, and of working within a framework of political, sociological and economic constraints".

(2) The career of a specialist plans itself: his very qualifications determine the path which he will have to traverse. The very nature of his work and his qualifications debar him from having the type of career planning which is essential to widen the range of skills.

The very fact that the jobs that are at present being assigned to a very large number of categories of technical personnel employed in the government require a substantial degree of administrative expertise, in addition to the competence in their own line of technical speciality, goes to show that most of the so-called specialists in the administration are not only not insulated from the professional problems of public administration, but they are also as deeply involved in acquiring administrative expertise as any generalist.

For example, in health fields, a newly recruited physician, who, as his first placement after a period of in-service training, is assigned to work as

the head of a Primary Health Centre, is not only required to use his technical skills to provide direct services to the community, but he is also expected to cultivate a variety of managerial skills, so that he could provide leadership to a team of some 40-50 health workers of different categories who are placed under his charge, maintain liaison with other government agencies and work very closely with various agencies of Panchayati Raj and other community organizations. He has, thus, to play a dual role—the role of a physician as well as that of a manager. Because of this, he is often designated as a 'Managerial Physician'.

Recognition of his dual role has brought about profound changes in the approach to training of such personnel at various levels—under-graduate in-service orientation, and post-graduate diploma and degree level training in health administration. As such a managerial physician moves higher up in the hierarchy in the course of time—to Sub-Divisional Health Officer, to Chief Medical Officer of a district, to the ascending echelons within the State Directorate of Health Services—he further strengthens the base of his administrative competence by participating more extensively in policy formulation, programme planning, organizational development and supervision. As a senior officer at the State level, he also acquires a more thorough acquaintance with problems of inter-departmental coordination and with the various political, social and local considerations which have a bearing on his responsibilities.

It would thus appear to be somewhat arbitrary to completely write off his category of technical personnel for consideration for top posts for departments which have the corresponding technical bias. Suppose 'A' and 'B' have both performed equally brilliantly in their Higher Secondary Examinations. 'A' branches off to become a doctor and joins government service as a managerial physician. He gets training in the field of health administration and, in the course of 25 years of meritorious service at various levels, acquires a senior status in the State Health Directorate. Meanwhile, 'B' after completing M.A. in History, successfully enters the Indian Administrative Service and during his 25 years of service gets posting as a Sub-Divisional revenue official, as a Deputy Commissioner, as a Deputy Secretary in the Department of Mines, as an executive in the State Trading Corporation and as a Joint Secretary in the Home Department. The moot question is: in making the selection to fill the post of Secretary to the Department of Health, should 'B' be brought over as the Chief of 'A' merely because 'B' happens to be a generalist administrator having "a reasonably representative cross-section of experience" or should the qualities and background of both 'A' and 'B' be taken into account in order to find out who is better suited to provide effective leadership to the entire health organization in the State and be an adviser to the Minister of Health, so that the Minister can discharge his legislative as well as political responsibilities effectively?

The author has cited some British and American workers to support his contentions. However, it does not appear that he has given adequate consideration to a substantial body of opinion, both in this country and abroad, which is in favour of a radical re-consideration of the place of the 'generalist' in public administration. In a recent Conference on Personnel

Administration (March 5-9, 1968) organized by the Indian Institute of Public Administration, some of the foremost authorities in this field (which included the Chairman and many of the Members of the Administrative Reforms Commission, eminent civil servants, Members of Parliament and scholars in the field of public administration) have almost unanimously pleaded for a radical change in the existing practice of considering only generalists for top posts in government administration. Participating in the Conference, Shri H. V. Kamath, Member, Administrative Reforms Commission, observed: "The main criterion should, in my judgment, be merit understood in its true sense; and therefore it stands to reason that we should cast the net wide for catching the best men for such higher positions, irrespective of where they might be working or serving".[1] Dr C. D. Deshmukh, one of the oustanding civil servants and a scholar also "expressed himself wholly in favour of the consensus that the best men available, no matter from what source, should be selected to man senior management positions." Dr. J. N. Khosla, Director, Indian Institute of Public Administration, is also known to share these views.

There are also distinct indications of a state of ferment among students of public administration in the U.K. itself. The note prepared by Her Majesty's Treasury on the future structure of civil service in the U.K., submitted to the Fulton Committee, concludes:

> "These proposals are aimed at merging the administrative and executive classes; and at opening up greater opportunities for suitable officers in the professional and scientific classes to play their full part at the senior levels of general management. They should enable the Service to meet the challenge of the future."[2]

Provoked by the precipitious decline in the international prestige of Britain, including her exclusion from the European Common Market, Brian Chapman[3] is even more forthright and incisive in his comments on the state of public administration in Britain:

> "...by European standards the British civil service is an over-specialized, parochial, closed corporation..."

> "...European countries have a reservoir of men to call upon who have a wide experience of administration in all its aspects, who know their own country, and who are accustomed to handling a variety of people and problems. Compared to them senior British civil servants are sheltered spinsters."

Later, taking the example of training of technical personnel in

[1] Conference on Personnel Administration (March, 1968): the *Report*, Indian Institute of Public Administration, New Delhi, 1968.

[2] *Public Administration*, U.K., Volume 44, Winter, 1966, p. 473.

[3] Brian Chapman, *British Government Observes*, London, George Allen & Unwin, 1968, pp. 23, 24 and 26.

administration in France, he observes:

> "...the training consists of high level technical studies, together with periods of working in the field. In the case of these State officials, the programme is deliberately designed to avoid creating mere technical experts; it is, on the contrary, based on the doctrine that at the higher levels of technical administration the State requires not simply chief scientists but administrative technocrats; men whose technical competence in their field is unassailable, but who have also throughout their careers been learning the art, techniques and discipline of general administration."

If it is possible to develop "administrative technocrats" of the required calibre, there appears to be no valid reason why they should not be considered for the top management posts in certain specialized fields.

—D. BANERJI

III

Dr. Raghuram has expressed his disagreement with the views expressed by me in the article on "Future of Generalist" on two main grounds:

First: Neither specialists nor generalists can escape the political aspects of administrative decision making. At the top of an organization all decisions contain a substantial policy element and this would have to be taken into account by whoever is at the top of the organization, whether he be a generalist or a specialist.

Second: A specialist concerned with field administration is as capable of acquiring an understanding of popular sentiments and political pressures as a generalist. Policy making cannot, therefore, be regarded as the prerogatives of the generalist. Policy making needs to be shared by all, the specialist cannot be excluded from it.

Most of what Dr. Raghuram has stated in his comments is an elaboration of these two points. To take the first of these comments: while it is unquestionable that all top level decision-makers have necessarily to take political factors into account when framing policy, this does not in itself give any indication of the type of persons who would be best fitted to take such decisions. What the article has tried to explain is that the generalist is enabled to acquire this experience, the experience of giving appropriate weightage to political factors, at a very early stage of his career. All along, he is trained to look at a proposition from the viewpoint of political acceptability as much as from the viewpoint of technical feasibility. He is trained to ask the right type of questions and to subject a proposal to scrutiny from widely varying considerations.

The expert or the technologist is, on the other hand, trained to pay attention primarily to technical considerations, to measure a proposal with the yardstick of technical perfection and to subordinate to this criterion, all other considerations. This, of course, is what he must do if he is to discharge his responsibilities as an expert conscientiously—in fact if he is to be really valuable as an expert.

It follows, therefore, that the professional administrator is more accustomed to looking at a problem in an overall way than the technical expert, and possesses in a greater measure the type of experience necessary to develop in him the qualities required of a policy maker.

To a large extent what has been stated in the foregoing paragraphs answers Dr. Raghuram's second criticism. Admittedly an expert concerned with field administration does acquire some experience of popular reactions to the programmes of government as also of the political pressures that operate at this level.

Yet this experience has two limitations within it. In the first place, it is confined to an assessment of popular reaction to the policy of a single technical department; it does not afford an insight into the popular reaction to the whole spectrum of governmental activity and is, therefore, intrinsically a more limited form of experience. Secondly, it does not train the expert to bring together a number of diverse factors to produce a coordinated picture. The experience of a generalist, in charge of field execution, gives him both practice in coordination and an opportunity to observe, assess and take into account the reactions of the public in relation to the whole gamut of governmental policies.

Primarily it is these factors that are likely to develop in the administrator a better appreciation of the considerations that are relevant to the process of policy formulation.

In his concluding paragraphs Dr. Raghuram observes that if the generalist develops a professionalized skill he will cease to be a generalist and will become a scientist or specialist. Therefore, any defence of the generalist which leads to this conclusion is self-defeating.

This would be so only if we choose to define a generalist as "one who knows less and less about more and more", if we choose to regard a generalist as a person whose sole qualification is the university degree with which he first entered service. But as has been discussed in the article, it is not possible to define a generalist in a negative way. He has to be defined in positive terms as a person who possesses certain clearly defined skills. These skills are essential to the top level policy-maker and once he has been given the training and experience necessary to develop these skills in him, it does not really matter what we call him.

Dr. Banerji in his comments has argued along lines somewhat similar to those of Dr. Raghuram in urging that field officers of technical departments gain as much experience of popular reaction to government policies and of programme formulation as generalist administrators do and the fact that they do not belong to the cadre of generalists should not automatically debar them from policy-making posts. While there is some force in this contention, it remains nevertheless true that the experience of this category of civil servants is necessarily more restricted than that of one whose career pattern allows him to range over a wider variety of jobs.

The argument, in the original article, has taken as its starting point the nature of experience and training that a civil servant possesses. It does not

start with a given category of generalists and a given category of specialists; nor does it suggest that the entire civil service can be divided into these two neat categories, with everyone falling into one or the other, and experts being excluded from all policy decisions. Decisions at the higher levels in the organization should appropriately be entrusted to people who have had an opportunity to plan and implement programmes involving a wide range of coordinated activities, programmes which call upon personnel, financial and supervisory skills and which are set against a background of political reactions and popular sentiments. Provided a man's career is planned in such a way as to give him an opportunity to acquire this type of experience, it is irrelevant whether he is labelled a generalist or a specialist or a technocrat. Unfortunately labels, though convenient, tend to invoke a variety of overtones of meaning and to produce a certain rigidity in attitudes. It is for this reason that in considering this problem, the starting point must be an identification of skills required for top level decision-making followed by an analysis of the best way to develop these skills. This, in turn, should be followed by career planning of a type that enables civil servants to develop these particular skills so that they may more effectively discharge their functions of policy making and implementation. An approach of this type would not automatically debar the subject-matter expert from policy decisions but would judge his suitability for this function in terms of his experience and not only in terms of his technical qualification.

—R. P. KHOSLA

UNION PUBLIC SERVICE COMMISSION: SOME COMMENTS ON SELECTORS AND SELECTION METHODS*

THE article by Mrs. Kamla Chowdhry on the U.P.S.C. is very timely and she has made some valuable suggestions based on her diagnosis of the existing defects.

Far too much theoretical lip service is being paid to the autonomy and objectivity of the U.P.S.C. in terms of constitutional provisions. The Commission is really no better and no worse than a typical Government Department and naturally bureaucratic culture is predominant. Consequently it has become too neutral a body to be able to come out with any fresh ideas to break new ground in the recruitment front. It works on an assumption that there are too many aspirants for Government jobs and so irrespective of quality its duty ends if it can ensure an objective recruitment. Most of its examinations and selections are now being conducted on old and conventional lines and they are repeated year after year.

The Members of the Commission are too old to have a stake in their appointment. Membership has become a sort of a reward and carries 6 years employment as against the stark reality of retirement. The members are bound to be too involved in bureaucracy and committed in personnel relationships and this is only human. So let us not over-emphasize objectivity. I agree with Mrs. Chowdhry that a 5 year appointment in the age

* The original article of this title by Prof. Kamla Chowdhry was published in Vol. XIII, No. 4 (Oct.-Dec.), 1967.

group 35-45 would bring valuable fresh blood in the membership. I cannot see how a young officer of character and ability selected for this job, can be corrupted and senior officers cannot be corrupted. I would strongly advocate that the Commission must have a flexible membership of young and mid-career age group and it must not become a Retirement Bureau. The quality of recruitment depends not only upon availability but also on the dynamics of the recruitment system. The change in staffing pattern of the U.P.S.C. will change the character of the Commission. It will have a mixture of young and senior persons from Government, professions and the business world.

Emphasis should be on membership of the Commission and on the composition of the Interview Boards rather than personal status of the individuals. A good mixture of young, middle age and senior personnel will bridge the gulf of generations.

The selection for the I.A.S. and other Class I services by the annual competitive examination has been the most glamourized of the Commissions activities. The design and conception of the examination has undergone very little change during the last 50 years. It is high time that the scheme and design of the examination is changed as follows:

(1) Entry in the career grade of I.A.S. and other services in the present age group should be by an improved design in the Examination to make it more broad based.

(2) Lateral entry in the age group 30-35 in the career grade to the extent of 20 per cent and in the age group 40-45 in the administrative grades. Not more than 2 chances would be allowed to each person. For this Mrs. Chowdhry's objective test method will be more suitable.

The annual requirements are 250-300 in all the Class I Services. First reform needed is to have only one examination for all the services and the second that initial selection should be of 20 per cent more than required. The Recruitment Examination should only give us Trainees. Final selection and placement should be made after training at the Academy and the Probationary Examination. This will greatly improve the quality of the Recruits and bring seriousness and purposefulness in the training. It will enable the Government to weed out those who are not of the requisite calibre even after two years' training.

The present examination needs to be re-designed to provide for same papers for all and inclusion of intelligence quiz, Hindi, Indian language and General Reading (50 Books) in the compulsory list. Also it would be desirable to add one paper of 4 hours in IV parts of 50 marks each to cover Law, Indian History, Economics, and Politics—so as to provide a background for training.

The training should be common to all and apart from departmental rules and procedure, district experience may be given to all. This should be followed by another examination (professionally designed) which should give consideration to psychological growth and training performance. This

should be followed by a high level interview. Final gradings should be made from the total of the Recruitment and Probationary Examinations. Even if a unified civil service is not acceptable, the allotments to I.A.S., I.F.S. and other Central Services can be made from the final results. Those who are likely to be a liability to the public service may be weeded out. The tutorial system at the Academy and case work in Public Administration is likely to give us a complex of qualities mentioned by Mrs. Chowdhry, *viz*, intellectual, calibre, judgment, problem solving, analysis of available information, developing alternate solutions and creativity.

I would fully endorse Mrs. Chowdhry's recommendation for introduction of objective tests and training period is the best for carrying them out. With objective tests, case discussion and individual interview added on the training and assessment will become more meaningful. She has made a very useful suggestion that a selected number be recommended as trainees. I feel that 20 per cent more than the required number will serve the purpose.

It is worthwhile to try out the selection for one year on the basis of objective tests and personality test boards. A comparison should be possible with the results of the present examination. We must replace the objectivity with purpose-cum-objectivity.

—KAILASH PRAKASH

DISTRICT PLANNING AND DEVELOPMENT ADMINISTRATION —A CASE FOR UNIFIED AND INTEGRATED APPROACH*

THE activities of the various agencies which constitute the district administration have a vital bearing on the happiness and prosperity of the people living in the district. In fact, it is a truism to say that the people judge the work of the Government at higher levels not through the output of welfare legislation passed and high-sounding policies and resolutions made but through the action and reactions of the officials of district administration to their complex day-to-day problems. So on all accounts, the need of the hour is to strengthen the competence of the officials of the district administration. This can be done by placing the experienced and intelligent officers with full sympathy and understanding of the rural masses to the field jobs. At present, most of the officers—the generalists as well as the technocrats, after putting in some years of service in the field, come to the headquarters and somehow manage to cling to the jobs in the headquarters. This may be for a variety of reasons—prestige, easy nature of work, etc. This can be avoided by delegating greater powers to the officers in the field (so that less number of such officers is required at the headquarters) and by giving a monetary incentive as well. The Andhra Pradesh Government, for example, sometime ago granted a special pay of Rs. 200 to each District Collector.

The district, by now, has become a traditional unit of administration. No wonder, the people in the district have developed what is known as

* The original article of this title by Shri Y. Raghavaiah was published in Vol. XIII, No. 4 (Oct.-Dec.), 1967.

'district loyalty'. This can best be seen in the fight for district representation in the State Cabinet, the clamour for location of certain institutions of a specialized category in this or that district. However, there is no uniformity regarding the area, population and resources of a district. Andhra Pradesh with a population of 3,60,00,000 has 20 districts while Madhya Pradesh with a population of 3,20,00,000 has 43 districts. Within Andhra Pradesh also one comes across this wide variation. Even apart from that, as Dr. Raghavaiah pointed out, there is no uniform areal pattern discernible among these administrative agencies at different levels.

One finds that the Registration District of Guntur is not co-terminus with the Revenue District of Guntur. Similarly, the police District of Kurnool is not co-terminus with the revenue District of Kurnool. It is true, uniformity is difficult to secure in these matters because what is administratively an optimum area for one purpose may not be so for a different purpose. Besides, any major reorganization of districts on a uniform basis will encounter stiff resistance on account of the existence of what we already mentioned as 'district loyalties'. However, a practicable solution for this is what the Rajasthan Administrative Committee, (1963) recommended, *viz.*, the jurisdiction for revenue, development election, magisterial and police purposes (all under State Government) should be co-terminus. This should be the case not only in respect of the district level jurisdiction but also the sub-district level jurisdictions. In Andhra Pradesh, it will not be difficult to secure the jurisdictions of a Taluk and Block as co-terminus.

It is true "the district is an area where an irrational medlay of administrative agencies operate with their own real jurisdictions, modes of administration, inter-agency jealousies and departmental separatism". In such a bewildering situation, the problem is how best to secure coordination, and a sense of purpose in the work of various agencies. Dr. Raghavaiah has suggested four alternatives to the problem. As regards the first, constitution of a peoples' consultative council at the district level consisting of the Chairman, Zila Parishad, that as it stands today, the Zila Parishad in Andhra Pradesh comprises of all these excepting the representatives of the interest groups. So much so, it will be a duplication of the Zila Parishad. Then, another point is who should represent the interest groups—those nominated by the State Government? In that case it will conflict with the democratic principle. Apart from these, there is the legal and constitutional difficulty of the officials of the Central Government and the autonomous bodies like the Life Insurance Corporation of India being subjected to the "directives and guidance of the peoples' consultative councils". Even assuming that this can somehow be done, it constitutes a violation of the principle of 'Unity of Command'. As regards the constitution of functional boards for each subject, it may be stated that instead of solving this aggravates the problem still further. How should coordination be secured in the work of the various functional boards?

In my view, the best solution is to constitute a comprehensive areal coordination machinery presided over by a generalist-administrator like the District Collector. In a way, the recent constitution of the Zila Development Boards in Andhra Pradesh as per M. T. Raju Committee Report

illustrated this. However, the Zila Development Board as constituted now in Andhra Pradesh consists of the District Collector who is its Chairman and the Chairman, Zila Parishad as a member. The Secretary, Zila Parishad serves as its Secretary. It is responsible for formulating and implementing programmes designed to secure economic growth of the District and in particular programmes concerned with Agricultural and Industrial production. In the existing situation, the Zila Development Board does not serve as a comprehensive coordinating machinery at the district level. As such, an attempt should be made for the constitution of a comprehensive District Coordination Committee under the chairmanship of the District Collector. The other important district officers of the State Government and field officers of the State autonomous bodies like the Divisional Controller of Andhra Pradesh Road Transport Corporation together with the local Chairman of Zila Parishad, local M.L.As, M.Ps., etc., can also be made members by issuing suitable administrative orders to that effect. The field offices of the Central Government and Central autonomous bodies can also be associated as members of this body. They can duly report matters of a conflicting and important nature to their respective superiors and obtain orders accordingly.

In addition to the setting up of a formal coordinating machinery at the district level as mentioned above, I venture to suggest that each Minister of the State Cabinet should be made responsible to look after the overall development and coordination of work of a particular district. If the number of Cabinet Ministers falls short of the number of districts, one Minister can be placed in charge of two districts. The Minister can attend the meetings of the District Coordination Council and participate in its discussions. If there is any hitch, say between the Divisional Superintendent of Railways and the State Executive Engineer of Roads and Buildings, regarding the construction of an over-bridge and sharing of costs, the Minister may bring this to the notice of the Chief Minister who can directly deal with the Railways Minister and so on. In the final analysis, I am certain that the proposed District Coordination Council in order to be effective must be headed by a generalist administrator. As far back as 1944-45 the Bengal Administration Enquiry Committee under the chairmanship of Sir Archbald Rowlands emphasized the need for a general administrator not only to coordinate the activities of different specialists and technical men, but to bring a sense of proportion and realism to bear upon all these technical officers might do.

—P. KRISHNA MURTHY

NEW PATTERN OF DISTRICT ADMINISTRATION IN ANDHRA PRADESH*

THE new pattern of district administration in Andhra Pradesh as ably depicted in the review article (based on M. T. Raju Committee Report) written by Dr. Ram K. Vepa is indeed radical and provides a refreshing

* The original article of this title by Dr. Ram K. Vepa has been published in the Indian Journal of Public Administration, Vol. XIV No. 1 (Jan-March), 1968.

study of the latest trends in democratic decentralization in a State which has the pride of place of being one of the two pioneer States in translating the concept of democratic decentralization in the form of Panchayati Raj.

The new pattern primarily concerns itself with development administration of which Panchayat Samitis and Zila Parishads were conceived as and are integral parts. The salient features of the new pattern are:

(*i*) The formation of a Zila Development Board for each district which shall consist of the District Collector as Chairman, Chairman, Zila Parishad as Member, and the Secretary, Zila Parishad as Secretary. This Board shall be responsible for the economic growth of the district. It will prepare a draft Integrated Agricultural and Industrial Production Plan for the district for the year. Thereafter this District Plan shall be placed before the Zila Parishad for its approval. It shall be the responsibility of the Board to implement the District Plan and achieve the targets envisaged in it. The Board will quarterly report to the State Board of Development the progress of the execution of the Plan. These progress reports will also be laid before the Zila Parishad. The Zila Development Board will submit an annual report to the State Board indicating the economic growth achieved by the district.

(*ii*) The constitution of a State Development Board with the Chief Secretary to the Government as Chairman and certain Secretaries to the Government and Heads of the Departments as members.

The State Development Board will be responsible for supervising the proper implementation of district plan. It shall also be responsible for other plan schemes relating to agricultural and industrial production. The State Board shall submit an annual report to the Government reviewing the economic growth achieved in each of the districts.

(*iii*) The induction of the Revenue Divisional Officer (known as S.D.O. in several States) in the scheme of Panchayati Raj as a reviewing and evaluating authority in respect of the schemes included in the District Plan which fall to the lot of the blocks within his division.

The Revenue Divisional Officer will be responsible for the supervision and effective implementation of the District Plan in respect of Blocks within his Division. He shall make frequent field inspections and send Inspection Reports to the Collector. He shall also attend the meetings of the Panchayat Samitis and get inspection notes from the district heads on the work of their field staff in relation to the schemes within his Division.

It is thus quite manifest that instead of being a step towards democratic decentralization to a greater degree the pattern would tend to introduce in an increasing degree official and centralized control over the Zila Parishad and Panchayat Samitis. It would not be an exaggeration to term this attempt as a scheme of bureaucratic centralization which in course of

time would mark the eclipse of the democratic content of the Panchayati Raj institutions at the Zila Parishad and the Panchayat Samiti levels.

The very fact that the Collector would be the Chairman of the Zila Development Board and the Chairman of the Zila Parishad would only be a member and the Secretary of the Board will be a Revenue Officer of the rank of a Deputy Collector goes to show that the Chairman of the Zila Parishad will still farther be relegated to the background. The District Plan prepared by this Board having the Collector as Chairman and Chairman, Zila Parishad as a member shall be placed before the Zila Parishad having the Chairman of the Zila Parishad as its Chairman and the Collector as a member for its approval. It will obviously create a peculiarly anomalous and enigmatic situation. Had the Raju Committee kept the interests of democracy at heart they would have conveniently made the Zila Development Board a Standing Committee of the Zila Parishad with the Collector as Chairman and his Development P.As. (the Special Category Deputy Registrar of Co-operative Societies, the Deputy Director of Agriculture, the Assistant Director of Industries, the Executive Engineer of Irrigation, the District Revenue Officer and other district heads of developmental departments) as co-opted members and Secretary of the Zila Parishad as Member-Secretary. That would have enhanced the status and prestige of the Zila Parishad without robbing the Zila Development Board of its powers and responsibilities towards economic growth of the district. Similarly, the Revenue Divisional Officer could also have been made a member of the Panchayat Samitis in his jurisdiction and Chairman of their Standing Committees for supervision over execution of the District Plan insofar as blocks within his jurisdiction are concerned. But this could not be and the reason therefor is not far to seek. It could easily be traced to the bureaucratic contempt for the non-officials at the proverbial grass roots level a fact which is fully borne out by the interest the Collectors and Revenue Divisional Officers have been evincing in their traditional roles of collection of revenue and maintenance of law and order in preference to the role of development administration.

Instead of taking steps to ensure the inculcation of proper attitude orientation towards their developmental obligations in the Collectors and their Revenue Divisional Officers the scheme tends to instal them as bosses in the Panchayati Raj set-up so that their injured psychology born of a sense of loss of power, authority and prestige may be repaired and then rejuvenated. The scheme thus smacks of a traditional distrust in the peoples' elected representatives and will, I am sure, tend to cut at the very roots not only of democratic decentralization but in the long run of democracy itself.

Dr. Vepa in the conclusion of his article has stated that the consensus at the Hyderabad Seminar was that the new system of administration envisaged in the Raju Committee Report marked a radical departure from the recent trends and was more in tune with the pattern of administration that had existed so long. And the consensus was not wrong either. For the implementation of the scheme would amount to a most unwelcome revival of the administration which we had witnessed in the early Community Development era. It is the same distrust in the non-officials and

the same doubt in their abilities to rise to the occasion which seems to have motivated the scheme and begotten this pattern. Dr. Vepa has stated: "There has, however, been a significant development in the last ten years which has made a considerable impact on traditional district administration." With a stroke of pen the Raju Committee has just undone whatever significant development was secured in about last ten years ever since the day (October 2, 1959) Pandit Jawaharlal Nehru inaugurated the programme of democratic decentralization in the State of Rajasthan at Nagaur and termed it a historic step. Now wheels of History are being turned backwards.

Dr. Vepa has stated that it was "in view of the considerable dissatisfaction amongst the public as to the implementation of the Plan schemes that the Government of Andhra Pradesh appointed in April, 1967 a Committee with Shri M. T. Raju" as Chairman to devise methods by which implementation of plan schemes could be more effectively done at the district level. The dissatisfaction, it may be submitted, emanated out of bureaucratic apathy and introduction of half hearted democratic decentralization. A veteran Congress worker and a M.P. from Rajasthan was right when he deposed before the Sadiq Ali Committee that there should either be complete democratic decentralization or no decentralization at all.[1]

Even Pandit Jawaharlal Nehru had echoed a similar voice on August 3, 1962 while addressing the Annual Conference of State Ministers of Community Development and Panchayati Raj at New Delhi in the following words:

> "When we talked of Panchayati Raj many people were rather doubtful about the capacity of our people to shoulder this burden. I was certain they would make mistakes. Nevertheless, I knew we shall get over this difficulty and gradually develop the system of self-government at every stage. There can be no half-way house in this vital matter. Either you trust the people or you do not. Trusting them partly takes you nowhere, because it does not give them real responsibility and they do not develop properly. Having given this authority and power to them, you should not temper with it by official interference. Let them make mistakes and let them suffer for those mistakes. The officials must only be advisers; they must not be bosses."

Democratic decentralization has received a great set-back not because of the incompetence of disinterestedness on the part of the non-official but because of the indifferent treatment meted out to them. The scheme needed incentives just as an infant needs support to be able to stand on his own legs. These incentives were zealously withheld. And then we blame the non-officials for the failure of the system? In the words of John Ruskin we throw a man into a ditch and then ask him to remain content in whatever position Providence has placed him. The incentives that should have

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[1] Iqbal Narain, "Developmental Administration under Panchayati Raj: The Rajasthan Experience", *The Indian Journal of Public Administration*, New Delhi, Vol. XIV, No. 1. (Jan.-March), 1968, foot note 1.

been provided could, to use the language of the bureaucrats themselves, have been and should be like the ones that follow. The Chairman of the Zila Parishad should be number one citizen of the District. Whenever the President or the Prime Minister of India, the Governor or Chief Minister of the State or any other V.I.P. comes to the district, the Chairman of the Zila Parishad should receive him and then he should introduce officials and non-officials of the district, to the V.I.P. He must have a status equivalent to that of Deputy Minister of a State. All Gazetted Officers on posting to the district should call on him at his residence. He should have an armed police guards at his residence. He should be entitled to use a National Flag at his residence and on his personal Car/State Jeep. He should get emoluments commensurate with his status and responsibilities. He should endorse the Annual Confidential Reports of all the D.L.Os. (connected with developmental administration) which are initiated by the Collector. He should not be made a member of any committee which is presided over by any official of his district. If inclusion of a representative of the Zila Parishad, however, becomes imperative, the Secretary of the Zila Parishad should be nominated for the purpose. He should give the Collector the same dignified treatment as the Chief Minister gives to the Chief Secretary above and the Pradhan of the Panchayat Samiti gives to the B.D.O. (Vikas Adhikari) below. He should take the salute at the police parades on the Independence Day and Republic Day.

One may ask as to what have these things to do with the developmental administration of a district. To such an inquirer my humble reply would be that these tools are status symbols and have always been made use of with advantage for enhancing the status of Ministers and Civilians. If these status symbols are bestowed on the non-officials at the helm of the affairs in the developmental administration of a district there would certainly be smooth sailing and the "dissatisfaction amongst the public as to the implementation of the Plan schemes" would soon disappear.

Had such a line been adopted, democratic decentralization would have been an unqualified success. The officials at all levels could have got reconciled to the loss of power to the non-official agencies. For the democratic process, when administered in a full dose, has the potentiality to serve as its own corrective. Even now there is time. The anomalous and puzzling situations created by an indifferent attitude towards democratic decentralization can even now be resolved and rectified and democratic decentralization given its rightful place in the scheme of things.

There is yet another point for consideration. Dr. Vepa while concluding his article has stated that at the Hyderabad Seminar it was felt that success of such a system as detailed in his article would depend largely upon the personnel concerned and particularly on the type of Collectors posted to the districts. It was suggested that at least a ten-year seniority might normally be considered for a District Collector who having once been posted to a district should be retained there at least for three years to be able to function with effectiveness.

That the insistence on a ten-year seniority and retention of a Collector in a district for a period of three years are not practicable propositions

would amply be borne out by the following facts and figures taken from Shri P. K. Dave's article "The Collector of Today and Tomorrow".

(*i*) Developments since Independence have been such as to change the very character of the highest service (I.C.S./I.A.S.) in the country. The proportion of senior posts which can be utilized for the posting of I.A.S. Officers as Collectors has steadily fallen from 33.7 per cent (257/764) in 1930 to 19 per cent (321/1689) in 1965. This is mainly because of the increase in the utilization of officers of the Service in the Secretariats at the Centre and in the States from 21.9 per cent in 1930 to 54.7 per cent in 1965.

(*ii*) With Cadre strengths increasing to meet the growing demands for non-district requirements there has been an increasing intake of direct recruits to the I.A.S. and one of the results has naturally been the quick turn-over in the posts of Collectors. The frequency of transfer of Collectors was in Gillespie's survey found to be alarming—the All India average length of posting in a district charge having been found to be 1 year and 8 months only.

(*iii*) Another aspect comprises the age and experience of officers holding district charges. As against an average age of 47 years and 1 month and average length of service of 17 years and 3 months for the direct recruits working as Collectors before the Second World War in 1939 the comparable figures in 1965 were 36 years and 5 months and 8 years and 4 months respectively.[2]

These facts and figures detract from the adequacy of the Collector's performance and require an earnest rethinking on the structure and management of the Indian Administrative Service. Shri P. K. Dave in the aforesaid article had stated: "Short postings, lack of adequate background experience and the resultant immaturity are likely to detract from the Collector's utility".

In these circumstances what has been stated under head 'Conclusion' of the article about the ten-year seniority and three years' continuous posting is just a cry for the moon and from that angle also the new pattern of administration of Andhra Pradesh appears to be doomed to failure.

Democratic decentralization is at the cross roads in the country. Not only that, it stands surrounded by so many impasses. But the way out of these impasses has been shown by the Report of a Study Team on Democratic Decentralization in Rajasthan (1961)—Association of Voluntary Agencies for Rural Development, New Delhi. This is what the Report has to say: "if the District Officer were to function in relation to the Pramukh (*i.e.*, the Chairman, Zila Parishad), as the Vikas Adhikari (Block Development Officer), is expected to function in relation to the Pradhan (*i.e.*,

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[2] P. K. Dave, "The Collector of Today and Tomorrow", *The Indian Journal of Public Administration*, New Delhi, Vol XI, No. 3 (July-Sept.), 1968.

Chairman, Panchayat Samiti), the Pramukh would have all the scope for work that he needs and would be able to play an important part in making the development programme in the district".

I now conclude my comments on the review article by recalling the view of the Sarvodaya Leader Jayaprakash Narayan on the subject as quoted by Dr. Haridwar Rai. This is what Shri Narayan says:

> "....if the devolution of power in Panchayati Raj is real, then eventually the District Magistrate should disappear or remain only as representative in district of the State Government just as the Governor is now only representative in the State of the Central Government."[3]

Let the Collectors be *de jure* Governors in the districts but let the programme of democratic decentralization be spared and its reins entrusted to the people and their elected representatives to whom they properly belong.

—G. C. SINGHVI

[3] Dr. Haridwar Rai, "Local Government, Local Administration and Development," *The Indian Journal of Public Administration*, New Delhi, Vol. XIV No. 1 (Jan.-March, 1968, footnote 23, p. 97.

INSTITUTE NEWS

The Executive Council of the Institute in its meeting held on April 6, 1968 co-opted *Shri V. V. Chari*, Secretary, Administrative Reforms Commission, Government of India, as a Member of the Council in place of late *Prof. D. G. Karve*.

During the quarter the Institute organized the following three short-term executive development programmes for senior and middle level officials of the Central and State Governments:

(1) Problems and Techniques in Plan Formulation at the State Level (New Delhi, April 3-17);

(2) Budgeting and Financial Control (New Delhi, April 18 to May 2); and

(3) Economic Decision Making (Mussoorie, June 3-15).

For the course mentioned at No. 1, after dinner talks were given by *Prof. D. R. Gadgil*, Deputy Chairman of the Planning Commission, and *Shri R. Venkataraman*, Member of Planning Commission. A dinner discussion with Members of Parliament was also arranged.

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The Institute organized its third six-week executive development course for municipal officers. It was inaugurated on April 29 by *Shri I. K. Gujral*, Minister of State in Union Ministry of Communications and Parliamentary Affairs.

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A one-day conference on the scope and content of training courses in municipal administration was organized at the Institute on April 4 by IIPA's Centre for Training & Research in Municipal Administration. Secretaries of Local Self-Government Departments of some of the States and the Union Territories as well as senior officials of the Union Ministry of Health, Family Planning and Urban Development attended it. A paper entitled "Design for training" was also presented.

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A Workshop on Planning at the State Level was organized from May 19-21. The participants in the Workshop included the Planning Secretaries of State Governments, Members of Planning Commission and senior officials of Union Ministries, and a few others. Fourteen States were represented at the Workshop.

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Encouraged by the keen interest shown by several universities, the Institute organized a second course in Survey Research Methods from May 3 to June 14.

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The subjects for IIPA Essay Competition for 1968 are: (*i*) "Public Administration and Science of Management"; (*ii*) "Tradition and Change in Indian Administration"; and (*iii*) "Integration of Planning and Budgeting".

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At the invitation of the Eastern Regional Organisation for Public Administration (EROPA),

Dr J. N. Khosla, Director, IIPA participated in the 5th General Assembly and 12th and 13th Executive Council Meetings of EROPA, from June 19 to 27.

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Shri H. G. Paranjpe, Assistant Editor of IJPA resigned with effect from June 1, 1968 to take charge of his new posting at Kohima as Secretary, Nagaland Legislative Assembly.

The following books have been published by the Institute recently:

(*i*) *Indian Statistical System* by J. R. Rao (pp. 34, Rs. 5.00)

(*ii*) *Training for Community Development Personnel in India* by Shri H. R. Makhija (pp. 170, Rs. 10.00)

(*iii*) *The Citizen and the Administrator in a Developing Democracy* by Prof. Samuel J. Eldersveld, Prof. V. Jagannadham, and Dr. A. P. Barnabas (pp. 188, Rs. 12.00)

(*iv*) *The Second Conference of Directors and Principals of Institutes of Public Administration* (Proceedings of the Conference) (pp. 87)

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As a part of Institute's activities the following lectures/discussions were arranged at the headquarter and regional branches:

Date (HQ/Branch)	*Subject*	*Speaker*
May 8 (Maharashtra)	Civil Defence as a subject of Importance for all Items	Yogendra Nath Pai (Commandant Gen. M. J. B. Maneckji, Home Guards Organization, Maharashtra, presided).
May 14 (Mysore)	Issues of the Fourth Five Year Plan—Appraisal of the Approach Note of the Planning	Dr. P. R. Brahmananda, Prof. of Economics, University of Bombay. (Shri K. Narayanaswamy, Chief Secretary, Government of Mysore and Chairman, IIPA Branch, presided.)
May 17 (Gujarat)	Some Impressions of my Visit to Singapore, Malaysia and Thailand	Shri P. G. Mavalankar, Director of Harold Laski Institute of Political Science, Ahmedabad.

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A local branch of the Indian Institute of Public Administration was formed in Ajmer on March 5, 1968 with *Shri R. K. Chaturvedi*, I.A.S., Chairman of Revenue for Rajasthan, and *Shri Satya Narain Singh, R.A.S.*, District Supply Officer (Senior) as President and Secretary respectively.

H. C. Mathur: In Memoriam

It is with deep sorrow that we record the sad and sudden demise of Shri H. C. Mathur, M.P., Member of the Administrative Reforms Commission, on June 12 at Bangalore. He was 65. Shri Mathur was a member of the Executive Council of the Institute almost from its very inception.

Shri Mathur started his career as a Magistrate in 1926 in the erstwhile princely state of Jodhpur and rose to the position of Chief Secretary, Judicial Minister and Home Minister. He was an administrator and parliamentarian of great ability and integrity. He represented Jodhpur in the Constituent Assembly. He was a Member of Parliament since 1952 and distinguished himself by his contributions which often reflected a passionate desire to put national interest above narrow considerations.

In Parliament as well as in his contacts with Government he continuously and vigorously advocated the need for administrative reorganization and improvement. Before Shri Mathur became a member of the Administrative Reforms Commission in January 1966, he was the Chairman of the Study Teams set up by the Union Department of Administrative Reforms on "Import and Export Trade Control Organisation" and "Directorate-General of Technical Development". He was also the Chairman of the Administrative Reforms Committee, Rajasthan (1962-63).

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

ADMINISTRATIVE RE-ORGANIZATION

The Union Home Minister introduced in Parliament on May 9 the Lokpal and Lokayuktas Bill, 1968. The Bill seeks to provide for the establishment of Ombudsman-type statutory machinery for redress of public complaints, namely, Lokpal and Lokayukta. The creation of such machinery was recommended by the Administrative Reforms Commission in May 1966. The jurisdiction of the Lokpal will generally be limited to complaints against the Ministers and Secretaries to Government at the Centre. The ARC had recommended that the Lokpal should also enquire into similar complaints in States. The Lokayuktas will examine the grievances of the citizens against other public officials and will be under the administrative control of the Lokpal but the latter will not question any finding, conclusion or recommendations of a Lokayukta. The Lokpal may, however, for reasons to be recorded in writing, investigate any action involving a complaint against a public servant other than a Minister or a Secretary, whether or not a complaint has been made to him.

Complaints have been divided into two categories under the Bill : (*a*) allegations, and (*b*) grievances. Allegations about a public servant may relate to: (*i*) abuse of position so as to obtain any gain or favour to himself or to any other person or to cause undue harm or hardship to any other person, (*ii*) discharge of functions as public servant with personal interest or improper or corrupt motives, or (*iii*) corruption, lack of integrity or improper conduct as such public servant. A grievance has been defined as a claim by a person that he sustained injustice in consequence of maladministration. The latter, according to the Bill, means action taken or purporting to have been taken in the exercise of administrative functions in any case: (*i*) where such action or the administrative procedure or practice governing such action is unreasonable, unjust, oppressive or improperly discriminatory; or (*ii*) where there has been negligence or undue delay in taking such action, or the administrative procedure or practice governing such action involves undue delay. Certain types of grievances will be excluded from the purview of the Lokpal and Lokayuktas.

A high-powered Committee, with the Chief Secretary to the Government of Bihar as its Chairman, has been set up by the Government of *Bihar* on April 24 to make recommendations for reorganization of the Secretariat and its different wings with a view to bringing about efficiency, economy and improvement in administration. Besides the Chief Secretary, the Committee consists of the Additional Chief Secretary, the Additional Member, Board of Revenue and the Finance Secretary.

The Government of *Kerala* have constituted two new Departments,

namely, the Department of Water and Power and the Department of Labour & Social Welfare. The existing Health & Labour Department has been re-organized as Department of Health. Further, with a view to ensuring efficient working of the Departments of the Secretariat, the State Government has decided to set up an Inspectorate (consisting of a panel of senior officers of the Secretariat and the Board of Revenue) to carry out periodical inspections of the Departments of the Secretariat, office of the Board of Revenue and the offices of all Heads of Departments *except* the offices under the control of Judicial Department, the Vigilance Commission, the Advocate General and the Kerala Public Service Commission.

The new Inspectorate will deal primarily with the administrative aspects, *viz.*, organizational analysis to indicate changes necessary for increasing efficiency, ensuring compliance with the prescribed rules and procedures and optimum utilization of staff, review of the working of delegated powers, machinery for public relations and redress of citizens' grievances, appraisal of the physical and financial achievements of the Departments in respect of Plan Schemes, etc.

AGRICULTURAL ADMINISTRATION

The Expert Committee appointed by the National Co-operative Development Corporation, under the chairmanship of *Shri P. P. I. Vaidyanathan*, Additional Secretary, Department of Co-operation, Government of India, has recommended the establishment of 1,194 agricultural processing units in the co-operative sector by the end of 1970-71. The units will be rice mills, sugar factories, cotton ginning mills, oil mills and cold storages. The Committee has also suggested that the NCDC Act might suitably be amended so as to enable it to borrow, if necessary, funds from other national or international agencies and by raising debentures. It has further urged that the scheme of the NCDC to organize managerial pools in apex marketing societies should be vigorously implemented and the special courses should be organized to train the personnel of the processing units.

The Government of *Rajasthan* have decided to set up an Agro-Industries Corporation as a joint venture of the Government of Rajasthan and the Central Government. This Corporation, besides taking over the production and distribution of improved farm implements, would offer extensive facilities to cultivators for the purchase of farm implements, pump-sets, tractors and plant protection equipment on hire-purchase system.

EDUCATIONAL ADMINISTRATION

The Union Ministry of Education has appointed a Committee (*Chairman*: *Shri Justice A. K. Sarkar*, retired Chief Justice) to enquire into the overall functions and working of the Council of Scientific and Industrial Research and to suggest ways and means of improving it. The Committee will, in particular, review the personnel policies, look into the allegations of the irregularities brought to the notice of Parliament from time to time and suggest necessary remedial measures. It will also examine the adequacy or otherwise of the existing policies in respect of payment of royalty.

The Government of *India* have, among others, accepted the following recommendations made in the 102nd report of the Estimates Committee (third Lok Sabha) (1967-68) on the University Grants

Comission (U.G.C.) that: (*i*) a member of the U.G.C. should not be eligible for reappointment; (*ii*) prior approval of the U.G.C. for the establishment of a University in a State, though at present not legally necessary, should be insisted upon and the U.G.C. should be rather strict in giving financial grant to such universities as have been started without the consent of or consultation with the Commission; (*iii*) the audit of the institutions deemed to be universities which are given maintenance grants by the U.G.C./Central Government should be done by the Comptroller and Auditor General. It should also be ensured that proper internal auditing system is introduced in all these institutions.

The Government of *Assam* have constituted a Commission, with *Dr. M. N. Goswami* (Vice-Chancellor of Gauhati University) as the Chairman and four other members, to go into the problems of Secondary Education in general and to examine the service conditions of teachers in aided secondary schools.

The Government of *Uttar Pradesh* have set up a State Education Advisory Board, under the chairmanship of the Education Minister, to consider, from time to time, the various problems in the sphere of education and advise the Government in the matter of educational policy.

HEALTH ADMINISTRATION

The Committee which was appointed to review the working of Central Government hospitals in *New Delhi* has suggested that a high-power regional health board should be set up under the chairmanship of the Union Health Secretary to coordinate the hospital and health services of different administrative units in Delhi.

This regional board should consider all development plans for health-care before their inclusion in the development programme. The Committee has also suggested that the office of the Medical Superintendent should be a full-time appointment with no clinical responsibilities.

INDUSTRIAL ADMINISTRATION

A new public sector concern called the National Textile Corporation has been launched. The main objects of the Corporation are: (*i*) to run textile mills entrusted to it by the Central Government, (*ii*) to establish and operate cotton mills, (*iii*) to enter into partnership business with any other company, body corporate or person carrying on textile business, and (*iv*) to manufacture and deal in all kinds of threads, knitting yarn, etc. The Memorandum of Association empowers the Corporation to export manufactured goods to other markets, and with the previous approval of the Central Government to promote any organization within or outside India for the purpose of engaging in any activity of a kind which the Corporation has been empowered to carry out.

PERSONNEL ADMINISTRATION

The Government of *Assam* has reduced the age of compulsory retirement of its employees from 58 to 55 years with effect from September 30, 1968. These orders, however, will not apply to Grade IV Staff, teachers of Elementary, Middle Vernacular Schools and aided educational institutions, in whose case the superannuation age will continue to be 60 years. The age of retirement for employees in other Government-aided institutions and Government/Public Undertakings or Corporations, etc., will be 55 years.

Pay, Perquisites, etc.

The one-man *Gujarat* State Pay Commission (Chairman: Mr. Justice A. S. Sarela) has recommended linking of the dearness allowance with the cost of living index. It has observed that adjustment of dearness allowance from time to time consequent to the movements in the cost of living index should be automatic. It has recommended an average rise of Rs. 18 to Rs. 26 in the salaries of Government employees. The Commission feels that while the salary levels of the lowest grades of employees of Government should be guided by the concept of minimum remuneration, the maximum remuneration in respect of the top most posts, could reasonably be fixed at a level slightly below the starting pay of Secretary to Government.

The lowest scale of pay applicable to Class IV employees imposed is Rs. 90—2—110 plus a dearness allowance of Rs. 40. The maximum salary recommended by the Commission is Rs. 2,400. The highest salary scale recommended for some of the top posts of the State services is Rs. 1800—100—2300. The general Class I scale recommended is Rs. 500—30—620—EB—40—820—45—1000—EB—50—1250 and Class II scale Rs. 350—20—450—EB—25—30—675—EB—35—850.

The Sarela Commission further states that an entry pay-scale should normally be of a span of 18 to 20 years with a shorter span for technical posts requiring experience, in addition to academic qualifications. For posts exclusively filled by promotion a span of 8 to 10 years is suitable. The rate of increment could be related to the pay scale of the post at the rate of 5 to 6 per cent and it should progressively increase to compensate gain in experience and knowledge and increase in responsibilities. Further efficiency bars are necessary in a time scale to maintain and reward efficiency. In a longer scale there should be at least two efficiency bars and in a shorter scale only one.

The Government of *Mysore* have raised the salary limit from Rs. 500 to Rs. 1000 p.m. for the purposes of awarding special scholarships to the children of such state civil servants as sustain severe injuries and are permanently incapacitated while discharging public duties.

The State Governments of *Orissa* and *West Bengal* have increased the dearness allowance of their employees. The West Bengal Government has announced that where an employee concerned has a provident fund, 50 per cent of the additional dearness allowance shall be deposited in that fund. In other cases, 50 per cent of the additional dearness allowance shall be paid in the form of Small Savings Certificates.

DIGEST OF REPORTS

INDIA, INTERIM AND FINAL REPORTS OF THE ADMINISTRATIVE REFORMS COMMISSION ON MACHINERY FOR PLANNING
New Delhi, Government of India, 1967 & 1968, pp. 33+63.

The Administrative Reforms Commission was appointed by the President of India on January 5, 1966. The terms of reference of the Commission relating to Machinery of Planning are: 'Planning organizations and procedures at the Centre and in the States and the relationship of the Planning Commission at the Centre and Planning agencies in the States with other agencies.

Earlier the Commission made an interim report to the Government of India a year ago (on April 29, 1967). In the interim report the Commission dealt with some aspects of the problem of reorganizing the Planning Commission, namely, its set-up, the distribution of work among its Members, the role of the National Development Council and the constitution of Planning Boards in the States for the formulation of Plans and evaluation of their performance. They also briefly touched upon the Planning Commission's relationship with the Central and State Governments and upon the organization of the Secretariat of the Commission. In short, purpose of the Interim Report was to assist the Government in its immediate task of taking decisions about the reconstitution of the Planning Commission. The Commission decided not to go over the same ground again as some of the interim recommendations have already been accepted and are being implemented by the Government. In this digest important recommendations/findings of both interim and final reports have been given. The recommendations/findings under the first seven headings (*i.e.*, up to para No. 16) are those from the Interim Report.

Section A : Interim Report

FUNCTIONS OF THE PLANNING COMMISSION

(1) The statement of the functions of the Planning Commission set ou[t] in the Government of India Resolution dated 15th March, 1950 appointing the Commission should, wit[h] slight modifications, continue to b[e] the basis of its working. Its rol[e] should be confined to the formulation of the plans—the long-term perspective plan, the five-year plan an[d] the annual plan—and the evaluatio[n] of plan performance. It should ceas[e] to involve itself in executive functions and decisions.

(2) The Planning Commissio[n] should be a non-statutory advisor[y] body, having close relation with th[e] Union Government. The Commission should at the same time b[e] independent of the Centre, in ord[er] that the States may have no caus[e] for dissatisfaction with its workin[g]. It will also not be desirable to mak[e] the Planning Commission a constit[u]tional body completely independe[nt] of the Executive.

COMPOSITION OF THE PLANNING COMMISSION

(3) The Prime Minister has to be closely associated with the working of the Commission without being the Chairman thereof. This association is to be secured by his being kept continuously informed of the matters coming up for discussion at the meetings of the Commission. The Prime Minister may attend the meetings of the Commission or address it whenever he considers it necessary. The Prime Minister will preside over the meetings of the Commission when he attends them.

(4) The Finance Minister will also be closely associated with the working of the Commission. As in the case of the Prime Minister, he will be kept informed of the matters coming up for discussion at the meetings of the Commission and he may attend the meetings thereof. He will not be member of the Commission. It is due to the fact that he is not only incharge of the resources for the plan, but also of fiscal policies. His influence on the economy is so pervasive that, it is necessary for him and the Commission to keep in close touch with each other.

(5) Experience so far gained shows that Ministers, busy as they are with their governmental and parliamentary work, are unable to find time to make a significant contribution to the planning process. Their membership of the Commission has only provided a ground for criticism. If Ministers are members of the Commission, the Commission is likely to be committed to the Ministers' stand with regard to executive matters relating to the implementation of the plans. This will affect its capacity to make a critical appraisal and evaluation of the implementation of the plan by the executive. Further, as the Commission has to formulate plans for the whole of the country, the inclusion of some Central Ministers as members thereof is likely to expose the Commission to the criticism that the States in which they are interested are placed in a favourable position and that the other State suffers neglect. Such a criticism becomes particularly serious if the parties in power in some of the States are different from the party in power at the Centre. The criticism mentioned above may or may not be just but is plausible. The Planning Commission has to be freed from such criticism. Therefore, Ministers should not be appointed as Members of the Planning Commission.

(6) The Prime Minister or the Finance Minister, as the case may be, should deal with matters of importance of a general or administrative nature relating to the Planning Commission for which Government would be answerable in Parliament. Matters pertaining to specific subjects allocated to different Ministers should be dealt with in Parliament by those Ministers.

(7) The number of members should not exceed seven. They will be selected on the basis of their expertise and experience. Though it would be an ideal arrangement to have a Commission consisting entirely of full-time members, in practice it may sometimes happen that experts, while willing to work as members, may be able to join the Commission only on a part-time basis. In order to make it possible to utilize the services of such experts, two of the members may be appointed on a part-time basis. One of the full-time members may be appointed as Chairman. The members may, as at present, have the status of Ministers of State and the Chairman will have the status of a Cabinet Minister.

(8) The members may be appointed for a fixed term of five years.

But in order to preserve continuity, the term of one or two members may be extended by a year or so. Reappointments, however, may be made only in exceptional cases.

DISTRIBUTION OF WORK AMONG THE MEMBERS OF THE PLANNING COMMISSION

(9) The distribution of work among the full-time members of the Commission has been in the nature of portfolio allocation to Ministers. This practice has led to decisions being taken by individual members—sometimes, not even known to the other members. The members jealously tend to retain a monopolistic grip over their 'portfolios'. Incidentally, it has also had an inhibiting effect on the expression of views by other specialists. In these circumstances, co-ordination and joint thinking will recede to the background. The practice is not in harmony with the idea of planning and should be discontinued. While the allocation of work may be continued as at present, all the members of the Commission must have opportunities to express their views on all important questions and the decision of the Commission must not be that of individual members, but of the Commission as a whole. It is, therefore: (*a*) that each member of the Commission while in charge of his allotted work, must be allowed to call for any file and record his views; and (*b*) that important decisions should be taken, not by individual members, but collectively by the members of the Commission either at a meeting or by circulation.

SECRETARIAT OF PLANNING COMMISSION

(10) The Commission should have a highly qualified person without being tied down to any specific cadre of service as its Secretary. It should have an efficient staff suitably equipped with expert knowledge of technical or administrative experience. Its procedures should be streamlined, simplified and based on officer-orientation. The functioning of the Commission should be so organized as to provide for the triple needs of analysis, thinking and planning.

FULL CABINET TO CONSIDER PROPOSALS OF PLANNING COMMISSION

(11) The Cabinet as a whole, and not a sub-committee thereof, should finally decide on the proposals referred to it by the Commission.

STATE PLANNING BOARDS

(12) Planning Boards should be constituted in each State for formulating plans and for evaluating performance. They should each have five members of whom one may be a part-time member. One of the full-time members will be the Chairman of the Board. None of the members should be a Minister. The provisions relating to the composition and the appointment of the members of the Planning Commission will apply *mutatis mutandis* to the State Planning Boards.

NATIONAL DEVELOPMENT COUNCIL

(13) The functions of the National Development Council should be redefined and it should be reconstituted with the following as members: (*a*) the Prime Minister; (*b*) the Deputy Prime Minister (if any); (*c*) the Central Ministers of: (*i*) Finance, (*ii*) Food and Agriculture, (*iii*) Industrial Development and Company Affairs, (*iv*) Commerce, (*v*) Railways, (*vi*) Transport and Shipping, (*vii*) Education, (*viii*) Labour, Employment and Rehabilitation, (*ix*) Home Affairs, and (*x*) Irrigation and Power; (*d*) the Chief

Ministers of all the States; and (*e*) the members of the Planning Commission.

(14) The Prime Minister will be the Chairman, and the Secretary of the Planning Commission the Secretary of the Council.

(15) The re-defined functions of the Council should be as follows: (*i*) to prescribe guidelines for the formulation of the National Plan; (*ii*) to consider the National Plan as formulated by the Planning Commission; (*iii*) to assess the resources required for implementing the Plan and to suggest ways and means for raising them; (*iv*) to consider important questions of social and economic policy affecting development; and (*v*) to review the working of the Plan from time to time and to recommend such measures as are necessary for achieving the aims and targets set out in the National Plan.

(16) In order to expedite its work, the Council may appoint from time to time, and particularly at the time of formulation of Five Year Plans, suitable sub-committees and panels. It should try to secure adequate representation on the panels of important interests whom it would be necessary to consult both in the planning stage and in reviewing its actual programme. This relates to the question of appraisal and evaluation side of its work. The Commission should be in a position to feed the Council with necessary information at regular intervals, so that necessary adjustments are made in good time.

Section B: Final Report

PLAN FORMULATION

Guidelines for Plan Formulation

(17) The central objective of planning is to achieve rapid economic development which means the attainment of a sufficiently high rate of growth. The rate of growth depends to a large extent on the proportion of its national income that a community can divert from consumption to investment. In fact, it even becomes necessary to specially provide for improvement in the living conditions of the weaker sections of the community. Further, a consciously carried out programme of redistribution of incomes to prevent concentration of wealth can to an extent adversely affect the quantum of savings available for development. Creation of the largest possible employment opportunities and balanced regional development which are the accepted elements of our socio-economic policy can in the short-run lead to our attaining a lower rate of economic growth. Balancing of a number of such competing objectives, though a difficult task, is the very essence of planning. External resources have also a bearing on development. Their size will depend first on the quantum of the external aid that may be forthcoming; and secondly, on the balance of payments position. The final responsibility for the Plan must, therefore, devolve on the Government backed by political strength and its hold over popular opinion. This requires that before an expert advisory body like the Planning Commission actually begins to formulate its Plan in detail, it should have some indication of the mind of the Central and State Governments as to the extent to which they would be prepared to go in the discharge of that responsibility, particularly in matters which would involve sacrifices on the part of the people.

(18) It was in this context that the Commission had included as one of the functions of the National Development Council the laying down of guidelines for the formation of the National Plan. It is necessary that these guidelines are available as soon as the broad aspects of the basic

factors of the next Plan can be brought out and preliminary procedures of planning for the next period reach a stage when broad decisions can be taken on basic factors. The Planning Commission when seeking guidelines from the National Development Council for the formulation of the National Plan should give a tentative framework of the Plan considered feasible by it and also indicate other alternative approaches calling for different degrees of effort. The basic factors involved, such as the rate of growth, the resources required and the sacrifice involved should clearly be brought out. Detailed work on the formulation of the Plan should proceed in the light of the guidelines given by the National Development Council.

Perspective Planning

(19) The need for a perspective of development was recognized almost from the very inception of planning. It was attempted in the First Plan. But since the Second Five Year Plan the techniques of perspective planning have been gradually improved. Perspective planning as attempted so far has come in for considerable criticism in certain quarters. The Commission do not subscribe to all this criticism of perspective planning. An excellent idea need not be jettisoned merely because the handling of it has not been satisfactory. Lessons should be learnt from the mistakes of the past so as to evolve system of perspective planning which would not give rise to any undesirable consequences. The Commission, therefore, recommended that when the Commission lays down the lines of a Five Year Plan, it should have before it a perspective of development over a longer period. The period may be different for different sectors of the economy, ten years for some, fifteen years for others and even a longer period for some others.

Rolling and Core Plans

(20) The Commission did not accept the idea put forward by the ARC Study Team on Machinery for Planning to make the Five Year Plan roll on within a fifteen years perspective. The Commission felt that it would lead to confusion and uncertainty in the public mind because it would be difficult, if not impossible, to make any reasonable forecast on basic factors in respect of the next Plan when the full effect of the current Plan is not known and cannot be forecast with accuracy.

(21) It has been suggested that in view of the uncertainty regarding the availability of foreign exchange and the turnout of crop harvests, the Planning Commission should prepare variants of the Plan based on different assumptions regarding these two uncertain elements. (This process of producing variants is linked up with the concept of a 'Core Plan'). But the Commission did not agree with it and recommended that the Five Year Plan should take into account only such foreign aid as can be reasonably assumed to be forthcoming. It should also take into consideration internal contingencies like failures of monsoons which are a normal cyclical feature. There is no need for any separate 'Core Plan'. The entire Plan should provide for the maximum possible effort, based on a realistic assessment of resources.

(22) Each scheme or project involving foreign aid should clearly set out the measures for dispensing with such aid in the shortest possible time and should also spell out the precise obligations, in this regard, of all concerned.

Working Groups

(23) The composition of the Working Groups—an instrument

developed by the Planning Commission to assist it in the formulation of the Five Year Plans—should be broad-based. Each Group should, in addition to the official members, include a few non-official experts selected having in view the subject matter of the Group. The Groups dealing with subjects falling in the State List should also have some specialists from State Planning Boards and State Governments. The Working Groups should be compact bodies presided over by Secretary or other senior officer of the Ministry concerned. The Working Groups at the Centre and their counterparts in States should maintain a close and regular communication with each other.

Advisory Bodies

(24) In order to make the best use of advisory bodies, the Planning Commission should, to the maximum extent possible, make use of the special advisory bodies which are set up by the Central Ministries. Where the purpose is to ascertain the reactions of the interests concerned to the proposals of the Commission, the all-India associations representing those interests may be consulted. Standing advisory committees may be set up for considering matters which cannot adequately be dealt with in any of the ways mentioned above or by the constitution of *ad hoc* bodies. These should be few in number. They should be compact bodies with a membership not exceeding, say, fifteen. It should be ensured that persons selected to work on these committees are not already working on a number of other bodies and are able to devote sufficient time for the committee's work.

Planning Cells in the Central Ministries

(25) The existing arrangements in the Ministries for attending to work connected with planning are far from satisfactory. As the Ministries are expected to assume the responsibility of detailed planning within sectors, it is necessary that work of planning in each Ministry is looked after by a separate Cell specifically constituted for the purpose. Keeping in view the specialized nature of the functions of the Planning Cells, it was recommended that: (*a*) Each Ministry concerned with developmental programmes should have a separate Planning Cell which should be small in size. It should be suitably manned by technical and professional personnel and headed by a senior technical officer or a Joint Secretary, as may be appropriate. It should function under the overall supervision of the Secretary of the Ministry. (*b*) The Planning Cells should primarily have the following functions: (*i*) to assist the Ministry and through it the Planning Commission in the formulation of the Five Year Plan by undertaking the necessary preparatory work; to get the necessary studies and research needed for the formulation of the plan programmes carried out by the executive agencies and other bodies; to collect and maintain economic and statistical data relating to development and to provide necessary technical and other assistance to the Working Groups and the Development Councils; (*ii*) to scrutinize and coordinate the detailed projects and schemes of the executive agencies under the Ministry and to ensure that the requirements of inputs and administrative implications of each project and scheme have been fully worked out and that the various projects are properly phased; and (*iii*) to keep in touch with the progress of plan schemes and programmes and prepare the overall progress and evaluation reports on plan programmes not covered by evaluation by the Planning Commission. (*c*) Each such Ministry or Department should constitute an Internal

Standing Committee for Planning. It should consist of the Secretary, Heads of Departments and other senior technical and administrative officers of the Ministry. The Committee should guide the Planning Cell in the discharge of its functions and periodically review the progress of implementation.

Planning and Private Sector

(26) There is a lack of adequate collaboration between the Planning Commission and the private sector in the planning of industrial development. The bodies created by the Government for this purpose, namely, the Central Advisory Council on Industries and the industrial sector. Though the Central Advisory Council is too large a body but the Development Councils can be made to serve as a useful instrument by giving proper leadership and adequate technical support. The Commission, therefore, recommended that : (*a*) at the time of the formulation of a Five Year Plan, the concerned Development Councils should be requested to prepare their own plans in the light of general guidelines to be given by the Planning Commission, and to send them to the concerned Ministries, and (*b*) a few representatives of the Development Councils concerned with major industries should be associated with the formulation of the industrial programmes at the time of annual plan discussions.

Scrutiny of State Plans

(27) There is need for allowing full initiative and freedom of action to the States in the matter of state subjects. However, the overall effort by each State in different sectors has to be of such a nature and magnitude as to facilitate the attainment of priorities and targets set out in the Five Year Plan. States would have to conform to the basic sectoral targets allocation and priorities fixed by th Planning Commission. The detaile sectoral planning, including prepara tion and execution of individua schemes and programmes should however, be left to the State Govern ments. The Planning Commissio should confine its scrutiny to suc schemes as involve a substantia amount of investment, a sizabl foreign exchange component, con siderations of inter-State nature significant policy implications fron the national standpoint, or imple mentation of basic national prioritie

Annual Plans

(28) The time and money spen on the exercise of finalization o Annual Plan is hardly commen surate with the results achieved. A complete overhaul of the presen procedures is necessary and th Commission, therefore, recom mended that the present elaborat system of annual plan discussion through a large number of Workin Groups should be discontinued. Th discussions in future may be con centrated on major issues like re sources mobilization, important po licy matters, requirements of majo projects and appraisal of performanc in key areas—detailed planning with in such a framework should be lef to the Central Ministries and States

FINANCIAL ASSISTANCE BY THE CENTRE FOR STATE PLANS

(29) The procedure followed b the Centre in giving grants and loan to States (this is given to ensure tha States implement effectively thos schemes which are significant in th overall context of the national eco nomy for "The Centrally Sponsore Schemes" and "The Centrally Aide Schemes") has met severe criticism The Commission, therefore, re commended that: (*a*) the amount c

total Central assistance to be given to a State should first be determined. The amount to be given in the form of loans should then be worked out. The balance of the total assistance left after deducting the quantum of loans will be available for distribution as grants; (*b*) A certain portion of the amount available as grant assistance should be "tied" to schemes or groups of schemes of basic national importance. The remainder should then be distributed to *pro rata* over other schemes or groups of schemes which are eligible for Central Assistance; (*c*) The grants tied to schemes or groups of schemes of basic national importance will not be available for reappropriation. Grants originally allocated to untied schemes or groups of schemes, may, however, be reappropriated to other schemes qualifying for Central assistance; (*d*) If there is a shortfall in implementation of State Plan taken as a whole and as a result the Central assistance utilized by the State is more than what would be proportionate to the expenditure met by the State out of its own resources (the correct proportion being one which was initially settled at the time of the finalization of the Plan), there should be a corresponding reduction in the Central assistance. Necessary adjustment in this regard should be made after the close of the relevant financial year; (*e*) "Miscellaneous Development Loans" should be abolished after the introduction of the scheme of Central assistance in the manner prescribed above; and (*f*) The number of Centrally sponsored schemes should be kept to the minimum and the criteria laid down for determining which projects should be Centrally sponsored should strictly be applied.

Role of Planning Commission and Finance Commission

(30) The Study Team on Centre-State Relationships and that on Financial Administration have made different recommendations regarding the roles of the Finance Commission with regard to the allocation of Central assistance. The Study Team on Centre-State has recommended that the Finance Commission should be concerned only with the fixing of shares of taxes to be distributed and settling the percentages to be allotted to the States and that the Planning Commission should deal with all the grants including Plan grants. On the other hand, the Study Team on Financial Administration has proposed that the Finance Commission should be made permanent and should also allocate plan grants under Article 282, awards being made twice during a quinquennium for this purpose once for the first two years of the Plan and then again for the last three years.

The Commission were not in favour of either of the above suggestions.

INTERNAL ORGANIZATION AND STAFFING

Shedding of Extraneous Work

(31) The Commission started with a sanctioned strength of 157 persons in 1951-52. This figure now stood at 891 on January 1, 1968. The expenditure of the Planning Commission was Rs. 11 lakh in 1951-52 ; the budget estimates for 1968-69 is Rs. 1 crore. More than half of the Commission staff strength is accounted for by the Secretariat and administrative personnel. It is, of course, inevitable that with the growth of work over the years since the Commission was constituted the strength of the staff should have increased. It is, however, generally accepted that the increase in staff and expenditure has been out of proportion to the increase in its responsibilities. The Commission, therefore, recommended that: (*i*) The planning Commission should be responsible only

for formulating the objectives, laying down priorities, indicating broad sectoral outlays, fixing the basic targets and approving the main programmes; (*ii*) The Planning Commission should itself not ordinarily undertake much of field research work. It should make maximum possible use of other official as well as non-official agencies concerned with research. The Commission should, as far as possible, utilize the operating agencies for the purpose of collecting data; (*iii*) The Commission should not deal with individual references on plan programmes and schemes unless they pertain to major deviations from the Plan, and (*iv*) Officers of the Commission should not participate in the Committees set up for the purpose of implementation of plan policies. The Commission should, however, be kept fully informed continuously about the actual operation of the policies.

(32) The Planning Commission should give up all such work as is not germane to its functions, in particular the work relating to the Joint Technical Group on Transport Policy and Coordination, management studies, construction economies and promotion of socio-economic research.

(33) In keeping with the redefined scope of its functions and reduction in work as suggested in this Report, it has been recommended that the Planning Commission should take immediate steps to reduce its personnel and expenditure.

Re-organization of Planning Commission's Secretariat

(34) The internal organization of the Commission's secretariat as it has evolved over the years has tended to gravitate towards a pattern which normally obtains in a department of Government. It has been said that this has been responsible for compartmentalized thinking and lack of adequate communication between the different divisions of the Commission. The Commission, therefore, recommended the reorganization of the Planning Commission in the following manner: (*i*) The work of the Commission should be organized in three Wings, one dealing with plan formulation, the second with evaluation and the third with establishment matters; (*ii*) There should be only three functional levels in the Commission below the Members in the Plan Formulation Wing. These should comprise Advisers, Subject Specialists and Analysts; and (*iii*) The number of Economic Investigators in the Formulation Wing should substantially be reduced.

(35) In the beginning the Planning positions were manned largely by persons with a predominently administrative background. But now the circumstances have changed and, therefore, recruitment of personnel for Planning Commission should be conditioned by peculiar needs of the present planning process. The personnel engaged in planning work, especially those at higher levels possess not only knowledge and practical experience in their respective areas of specialization but also the capacity to perceive the inter-relationships among different sectors of the economy in the context of the larger Plan objectives. They have to be persons with imagination, creativity and vision. This highly intellectual type of work calls for abilities from those needed to run the day-to-day administration. The Commission recommended that: (*i*) Selection for appointment to senior positions in the Planning Commission should be made from a wide field covering the civil services, public and private sector undertakings and other walks of life. They should be

made by a special committee consisting of: (*a*) Chairman, Union Public Service Commission, (*b*) Chairman, University Grants Commission, and (*c*) the Deputy Chairman, Planning Commission. The President of the Federation of the Indian Chambers of Commerce and Industry should also be associated with selection of persons from the industrial and commercial fields. Wherever necessary, an eminent expert may also be co-opted to advise the Committee; (*ii*) All top appointments should be made on a contract or tenure basis for fixed period. As regards the middle and lower level technical staff, there should be a personnel exchange programme between the Planning Commission and sectoral agencies at the Central and State levels; (*iii*) The emoluments payable to non-officials should be high enough to attract the best qualified persons and not necessarily be based on the normal standards of remuneration in Government; and (*iv*) Outstanding work done by a Government servant in the Planning Commission should entitle him to a special consideration in the matter of selection for higher appointments.

Training in Planning Methodology

(36) With the creation of State Planning Boards and Planning Cells in Ministries, the problem of training of suitable persons to man the various positions in these organizations is likely to assume great importance. Planning needs a different kind of expertise from a mere specialization in a given subject area. It involves an inter-disciplinary approach. It also calls for a special knowledge of the techniques of planning. Persons engaged in planning work would, therefore, have to be specifically trained for the purpose. The Commission, therefore, recommended that: (*i*) It is necessary to make suitable arrangements for training of personnel engaged on planning work, in statistical and economic analysis and in techniques of planning; (*ii*) Training for statisticians and economists to be engaged in planning work should be organized in specialized institutions like the Indian Statistical Institute and the Institute of Economic Growth; and (*iii*) the Planning Commission is the most suitable agency for imparting on-the-job training. For other aspects of orientation and refresher courses facilities available with professional bodies like the Indian Institute of Public Administration may be made use of.

Programme Advisers

(37) Unfortunately the institution of Programme Adviser, though well conceived, has not worked in the manner as originally intended. Following the recommendations regarding the scope of the Planning Commission's functions the involvement of Programme Advisers in detailed State planning would be substantially reduced. The Programme Advisers should supervise evaluation work in addition to their other duties. Further they should have a tenure of at least 5 years. The Programme Advisers should be persons with wide knowledge and experience and should possess the qualities of a mediator and negotiator.

PLANNING MACHINERY IN THE STATES*

(38) To spell out the functions of these Boards in greater detail, the Commission recommended as follows: (*i*) The functions of the State

* In their interim report, the Commission have recommended the constitution of Planning Boards in the States for formulating Plans and for evaluating plan performance.

Planning Boards may be as follows: (*a*) to make an assessment of the State resources and formulate plans for the most effective and balanced utilization of those resources, (*b*) to determine plan priorities of the State within the framework of the priorities of the National Plan, (*c*) to assist district authorities in formulating their development plans within the spheres in which such planning is considered useful and feasible and to coordinate these plans with the State Plan, (*d*) to identify factors which tend to retard economic and social development of the State and determine conditions to be established for successful execution of the plans, and (*e*) to review the progress of implementation of the plan and measures as the review may indicate ; (*ii*) The Board's secretariat should normally have four units—one dealing with Agriculture and Irrigation, the second with Power, Industry and Transport, the third, with Social Services, and the fourth, with Evaluation; and (*iii*) Planning Cells should be constituted in the development departments of the State Governments.

Planning at District Level

(39) Planning at district and village level was looked upon as an essential means of securing the maximum public participation and voluntary effort, but in practice, however, attempts at district and village planning have generally not been fruitful. However, the Commission do not consider that any elaborate machinery for planning in a District is necessary. At the operational level, planning cannot be divorced from implementation. A District Plan would necessarily have to be in the nature of identifying the particular potentialities of development of the district, an assessment of its crucial needs and formulating of specific measures to exploit the local resources and meet the local needs. The best arrangement, therefore, would be that the same set of persons who are responsible for implementation are also made responsible for planning. Therefore, the work relating to planning at the District level should be handled by the developmental set-up in the district.

PROGRESS REPORTING AND EVALUATION

Progress Reporting

(40) The existing arrangements in the Planning Commission for progress reporting are inadequate. The Commission recommended that: (*i*) The Planning Commission should bring out every year a progress report on the performance of the Plan programmes both in the public and the private sectors. The report should be presented to Parliament within six months of the completion of the Plan year; and (*ii*) The State Planning Boards should also arrange to get information about progress of State Plan schemes and prepare a progress report within six months of the close of the relevant year. The report should be placed before the State Legislature.

Evaluation

(41) Evaluation, as distinguished from progress reporting, must be carried out by an agency which is not responsible for the execution of the programmes concerned if it has to be meaningful and independent. The existing two units—Programme Evaluation Organization, and Committee on Plan Projects—are inadequate for this purpose as they are making studies only in their respective fields. In order to strengthen the existing evaluation machinery to remove these defects the Commission recommended that: (*i*) A separate Evaluation Wing adequately staffed with qualified persons should be

created in the Planning Commission. It should be placed directly under the Deputy Chairman of the Commission; (*ii*) The functions of the Evaluation Wing should be to study continuously the more important Plan programmes and schemes in the Central Sector, undertake sample studies of programmes in the State sector, and guide evaluation work in States, and (*iii*) Evaluation reports prepared by the Planning Commission should be placed before Parliament.

Arrangements for Evaluation in Central Ministries

(42) Though independent evaluation will have to be done by the Evaluation Wing of the Planning Commission, the Commission did not rule out the Ministries undertaking similar work in a few areas not covered by the Commission. They, therefore, recommended that the planning Cells in the Ministries should, in addition to their other duties, be responsible for carrying out a few evaluation studies in areas not covered by the Planning Commission. They will indicate to the Commission the programmes in different States which should be evaluated and also the studies on which the association of an expert from the Centre is necessary.

Evaluation Machinery in States

(43) The Commission observed that the evaluation work in areas which fall within the jurisdiction of the States would have to be undertaken mostly by the State Planning Boards and recommended that: (*i*) The State Planning Boards should each have an Evaluation Unit for the evaluation of programmes in the State Plans; and (*ii*) The evaluation reports should be placed before the State Legislature.

PLANNING AND PARLIAMENTARY COMMITTEES

(44) Keeping in view the fact that Parliamentary time is very limited, it would be helpful if a Special Committee of Parliament comprising 25 members is constituted to go into the annual progress reports on plan performance as well as evaluation report laid before Parliament. A similar practice may be adopted in the States. Parliament may consider whether the Parliamentary Committee mentioned above should not also perform the functions of the Informal Consultative Committee.

INDIA, COMMITTEE ON PUBLIC UNDERTAKINGS 1967-68 *(FOURTH LOK SABHA) REPORT (FIFTEENTH) ON FINANCIAL MANAGEMENT IN PUBLIC UNDERTAKINGS*, Lok Sabha Secretariat, New Delhi, 1968, p. 131.

The Committee on Public Undertakings 1967-68 of the Fourth Lok Sabha undertook a study of Financial Management of the Public Undertakings as a third horizontal study in a series of studies on different aspects of management in Public Undertakings. The report of the Committee which is mainly directed towards the administrative machinery for financial management in public undertakings and to cover broadly the main issues relating to the management of funds was presented to Lok Sabha on April 22, 1968.

Important observations and recommendations of the Committee are given below:

FINANCIAL DIVISION

Time of Setting Up

(1) There is little doubt that as a general rule a separate and well-

organized Financial Division is absolutely essential for the efficient financial management of a public undertaking. It is also necessary that a Financial Division with a nucleus staff should be organized even from the time of project stage, so that its expert guidance or advice regarding the various proposals is available to the management or the project administrator at a stage when both money and time have to be conserved.

(2) The present system of the administrative Ministry and the Ministry of Finance taking a whole range of basic decisions which affect the economic viability of the project without associating at the earliest opportunity the persons who are to ultimately manage or operate project as its Chief Executive and Financial Adviser, is not sound. These two persons in all projects of a major nature at least should be associated with it as soon as it is conceived so that they are fully aware of the circumstances, problems, etc., connected with it and know as to what is expected of the project. Having been associated at the initial stage itself, they could also be held squarely responsible for the achievement of targets and adherence to the time schedules laid down as well as tested as to their abilities and efficiency.

Organizatianal Set-up

(3) Before organizing their Financial Divisions, the public undertakings should carry out a systematic study to determine the set-up that would be most suitable to their organizations.

FINANCIAL ADVISER

Appointing Authority

(4) The mode of appointing Financial Adviser is not uniform in public undertakings. There is no doubt that the appointment of Financial Adviser has far-reaching implications. He has to be independent in expressing his views, particularly because he has to comment critically on the proposals of the management. At the same time the need for independence has to be balanced with the other factor, whether it would come in the way of his being treated as an integral part of the management. In the circumstances the Committee feel that a solution to the problem can be found only in a suitable combination of the two methods followed at present. Initiative to select the Financial Adviser in all major undertakings should be taken by the Board of Directors, the appointment being made with the approval of the Government whereafter he should be responsible to the Board just as the Chief Executive himself is responsible to it. To help the public undertakings in making a selection, the administrative Ministry and the Bureau of Public Enterprises may draw up a panel of eligible persons from which the public undertaking could draw, the actual appointment being made by the Board of Directors with the approval of the Government.

Financial Director

(5) The appointment of the head of the Financial Division as a Director will meet to a great extent the twin requirements of independence of the Financial Adviser and his being made part of the management. To start with, a full-time finance director may only be appointed in big undertakings where there is justification for employing a full-time Finance Director.

Role of Financial Adviser

(6) The Committee observed that the feeling on the part of the Chief Executives that the provision relating to the submission of quarterly financial reviews by the Financial

Adviser to the Government and the requirement about differences with him being referred to the Board of Directors compromise their authority is not justified. The Chief Executive of a public undertaking should be given powers corresponding to his responsibilities. But the Committee do not agree that the provisions relating to submission of Financial reviews and reference of differences of opinion between him and the Financial Adviser to the Board reduce in any way his effectiveness or authority.

Field of Selection

(7) More chartered accountants should be employed by the Public Undertakings for manning suitable positions in the Financial Divisions. If necessary, the conditions of service may be improved, so as to attract the best talent from the market. It is equally important to give chance of promotion to persons who have worked in the organization and proved their worth.

(8) There are divergent views as to whether the Financial Adviser should be taken on deputation or otherwise. Generally, wherever the Financial Advisers have been appointed by Government, they are deputationists. The Committee was of the view that a Financial Adviser can function fearlessly only if he is a deputationist. Similarly, it is also not true to say that the deputationists tend to bide their time. These views represent only the two extremes. In the opinion of the Committee, a capable man can function effectively whether he is a deputationist or a direct recruit. The effort should, therefore, be to select the best man available from all the sources. There should be neither too much independence on deputationists as at present nor should competent person be disqualified from holding the post merely because he happens to be a deputationist. It is the person and his competence that matter and not the service or source from which he is drawn.

Functions of Financial Adviser

(9) The functions of an important executive like the Financial Adviser should not be left undefined. An indication in the delegation of powers of the cases that would require to be referred to him can, by no means, be considered as exhaustive because his functions do not end with examining what is referred to him. He has to play a positive role in helping the management to run the enterprise efficiently. For this purpose, he has to undertake systematic study of progress reports, statistical statements, in-puts and out-puts, expert Committee reports, etc. The Committee, therefore, recommended that the main function, responsibilities and powers of the Financial Adviser should be clearly laid down. The Financial Advisers should take more initiative and make useful contributions towards successful running of an undertaking. This can be better achieved if there is a clear definition of the basic objectives for which the Financial Division is set up, so that the Financial Adviser plans his work in such a manner as to fulfil them.

Management Accounting Function

(10) At least major public undertakings should introduce a regular system of Management Accounting soon. The job calls for high intellectual acumen and an innate ability to analyse and interpret facts and figures and experience in examining the working of the organization as a whole. On the basis of the experience of major public undertakings, the smaller undertakings may also introduce such a system in their

organizations by getting their staff trained in the bigger undertakings.

Training

(11) The efforts of various public undertakings at organizing separately training courses for their staff could be advantageously coordinated at one place. The staff working in the Finance Divisions can be posted in batches to undergo training along with persons recruited from the open market. Each undertaking can phase the training programme in such a manner as to avoid current work falling into arrears. Since all the public undertakings will be sending their personnel to a Central Training Organization, it will also be economical.

(12) Arrangements made so far for the training of Financial Advisers are inadequate. It is not certain if the courses organized by the institutes of management would meet the peculiar requirement of public sector undertakings. The person who is to be posted as Financial Adviser should be given thorough training in the intricacies of commercial accounts, projection of facts and figures in the form of periodical statements, preparation of quarterly financial review and the technique of rendering financial advice. In the case of persons who are taken on deputation from government departments, training in commercial accounting should be given in sufficient detail and depth. The persons who are to be appointed as Financial Advisers should also be given practical training by posting them for at least six months to one of the public undertakings as understudies or as deputies to the Financial Advisers.

(13) A specified number of officers serving in Government departments might be selected and trained in financial management techniques so that when there is a vacancy in any undertaking, persons so trained might be considered along with the candidates from the open market and those serving in the organization and a selection may be made of the best man among them. The training should be a regular feature and the list of persons so trained and who are available for appointment should be maintained by the Bureau of Public Enterprises and made available to the undertakings as and when required.

Financial Adviser and Meetings of Board of Directors

(14) The issuing of instructions to the effect that the Financial Advisers should invariably be invited to attend the meetings of the Board of Directors is a step in the right direction. It would give the Financial Adviser a much needed sense of participation in managing the affairs of the undertaking. It is not enough, if he is in attendance only. He should be encouraged to actively participate in the Board meetings, put forward his views, whenever he considers it necessary, rather than doing it only when asked to do so. Suitable instructions should be issued to all the undertakings.

CONSULTATION WITH FINANCE

(15) Whereas in most cases involving financial implication, consultation with finance may be sufficient, it is necessary to obtain prior concurrence to major proposals involving long term financial obligations or departure from approved plans. It should be left to the Board of Directors to determine the matters which will be reserved for concurrence of finance and what will be reserved for their consultation. In this context, the importance of bringing the right attitude on the part of the Chief Executive and the

Financial Adviser is of vital importance. The Chief Executive on his part should appreciate that the Financial Adviser has a useful contribution to make. The Financial Adviser, on his part, should feel that he has a constructive role to play rather than controlling expenditure only.

INVESTMENT

Approval of Parliament

(16) There is no procedure at present for placing before Parliament for approval full details relating to a public undertaking before it was set up. On the other hand, the investment by Government in public undertakings in the form of share capital and loans has assumed huge proportions and is more than Rs. 3,000 crores. The provisions by way of equity and loans for the year 1967-68 (revised estimates) and 1968-69 (budget estimate) amounted to Rs. 386 crores and Rs. 404 crores respectively. Where such large sums are involved it is necessary that Parliament be provided ample time and opportunity to examine the demands and accord approval. The Committee suggest that whenever demands for additional investment in public undertakings, either by way of loan or equity, are placed before Parliament, detailed up-to-date information about the past investments in such undertakings, their achievements and working results should be given so that Parliament can exercise more effective scrutiny before approving the demands.

Equity-debt Ratio

(17) There is a marked divergence of opinion between the undertakings and the Ministries in this matter. After considering the replies given by all the undertakings and the evidence given before them, the Committee were inclined to think that there cannot be one common ratio applicable to all the undertakings. Moreover, for the same undertaking also one ratio cannot be made applicable for all times. The Committee, therefore, recommended that rigidity may be avoided in applying this ratio to all public undertakings. If some undertakings make out a strong case for altering the ratio, Government should give it due consideration. The suggestion that the first half of total investment should be in the form of equity and the other half might be in the form of loan also merits consideration.

(18) Another factor which leads to objection to the prevailing ratio of 1 : 1 is the obligation to pay interest on loans. It appears, that the real objection of the undertakings is to interest liability and not to the ratio itself. If a satisfactory solution could be found to this problem, the Committee felt that much of the present objection to the equity-debt ratio of 1 : 1 will lose its edge. An arrangement which appealed to the Committee was to capitalize interest liability during the construction period and to write it off from profits in the later years. This would afford adequate relief to the undertakings during construction period and also ensure that Government do not lose in the bargain.

Capital Cost

(19) It is obvious that the efforts of the individual undertakings in going into the reasons for revision of capital estimates have not been successful in eliminating the causes of revisions. Nor do the Government appear to have profited by such exercises because the same phenomenon has been repeating itself. There is need for intensive study in this regard. Suoh a study can be carried out by the Bureau of Public Enterprises.

It would, howsoever, be more effective if the Bureau co-opt a few officers of the administrative ministries. In the first instance, a few undertakings may be selected for study and in the light of the experience gained, it may be determined whether those studies would be sufficient for drawing guidelines for the preparation of capital cost estimates, or some further studies should be carried out.

(20) The importance of estimates in the detailed project report being as realistic as possible needs hardly any emphasis as the project report forms the very basis on which Government approve the project and the capital outlay. It is, therefore, essential that the estimates take into account all foreseeable items of expenditure and indicate the outlay as accurately as possible.

(21) The practice of making significant increases in the capital cost estimates is undesirable. If substantial increases in capital outlay are placed before Government for approval after the project has been launched, Government are left with no alternative except to approve the increase. Stern action is called for on the part of Government to put an end to this unhealthy practice. In addition to taking stern action to put an end to the unhealthy practice of revising the capital cost estimates frequently, it should be ensured that there is no laxity or wastage on the part of the projcet authorities in the implementation of the projects

(22) To a certain extent it will be in the economic interest of a plant to provide for in-built capacity. But it should not be resorted to as a matter of course in each case. Before it is decided to provide in-built capacity, there should be a realistic estimate of the potential and effective demand yearwise and if the demand is likely to increase substantially within say four or five years, then only in-built capacity should be provided. The Committee have come across several cases of wrong assessment of demand of steel, coal, heavy electrical equipment, etc. Since substantial sums are involved in providing in-built capacity, and profitability of the undertakings is also jeopardised due to mistaken assessment, the Committee recommended that utmost care should be exercised in assessing the demand. Persons with proven ability and experience should be drafted for such work.

Working Capital

(23) The public undertakings are being put to unnecessary difficulties on account of inadequate working capital with the result that their efforts and time have to be diverted from the important objective of maximizing production and keeping the costs low, if sufficient funds could not be provided by Government, the least that could have been done by Government was to arrange for the State Bank of India to extend cash credit arrangements expeditiously. It is regrettable that Government have not taken adequate steps to resolve these difficulties for the undertakings. The Government should find out whether State Bank of India will be able to meet the working capital requirements of all public undertakings on suitable terms. If it is not possible, the undertakings should be free to raise cash credit from other banks.

(24) On their part, the public undertakings should work out their working capital requirements and exercise stricter control on outstandings, inventories and other current assets. Adequate care has not been exercised in this regard with the result that the requirements of working capital of public undertakings have increased.

WORKING RESULTS

Return on Investment

(25) Each undertaking should immediately carry out a study for determining the extent of idle capacity, the reasons therefor, the remedial steps required to be taken and the time by which full capacity is expected to be utilized and submit such study to Government. Government should keep a watch over its implementation and also provide such help as might be necessary to the undertakings. In future, wherever there is under-utilization of capacity, such study should become a regular feature and the work should be entrusted to the Financial Divisions.

(26) The problem of surplus staff will have to be tackled on a nation-wide scale as the category of undertakings with surplus staff is ever on the increase. Assessment of staff made by the undertakings themselves is usually on the high side. Assessment may be made by specialized agencies. After such fixation of staff strength, increase in any category should only be allowed on the basis of increase in production.

(27) The difficulty in laying off construction staff after the completion of construction has been a vexatious problem for the public undertakings. Various solutions have been attempted including that of employing them in the production department after some training. This has its own problems because quite often they lack basic skills and as such their productivity is so low as to affect the production and profitability of the undertaking. The feasibility of getting civil engineering works done on contract basis, or by National Buildings Construction Corporation or a specialized agency to be created for the purpose may be examined. This will ensure that the construction staff do not become a permanent liability on the project, when construction is over.

(28) Judging by the number of undertakings which have been affected by labour trouble, it is obvious that there is need for co-ordinated effort in this regard. A study should be made of the reasons for labour trouble in various public undertakings and the steps taken to remedy the situation and improve labour-management relations.

(29) The extent of under-utilization of capacity in public undertakings is a matter of serious concern. Every undertaking should devote all attention to the early achievement of the optimum output. Demand is not changing so fast in the case of the majority of items produced by public undertakings as to render difficult a fairly accurate assessment. If the assessment of the demand is correctly made, there would be no need for changing the product-mix at a later stage. Great care should be exercised in determining the product-mix which should be based on a thorough assessment of the demand.

(30) It is in the interest of each undertaking to know the investment and return from each of its projects and phases thereof. If this information is not available, adverse trends in the working of the first phase would go unnoticed. Even if separate accounts are not maintained, the undertakings should allocate the expenditure to the respective projects and in the case of common expenditure distribute it on a percentage basis, so as to get a clear picture of the profitability of each phase. Such proforma allocation of expenses is being made by Hindustan Steel Ltd. and it should be possible for the other undertakings also to do the same.

(31) Preparation of periodical profit and loss accounts should be

considered as one of the main functions of the Financial Divisions. All undertakings should prepare such statements at least quarterly, because only then it will be possible for the management to know the operational results in time and effect adjustments as might be necessary for improving the operational results.

(32) Concerted efforts are also called for to increase labour productivity in all the public undertakings. The present policy of "neither carrots nor sticks" has not worked very well. Proper incentive schemes should be worked out for all levels of management staff and labour. Research studies should also be undertaken for groups of undertakings in the same industry. Simultaneously, there should be stricter discipline and public undertakings should not hesitate to dispense with the persistently difficult and recalcitrant staff.

Projected Profit and Loss Account and Balance Sheet

(33) At present only a few undertakings are preparing projected profit and loss account and balance sheet for a period of five to ten years. Such statements and balance sheets are necessary adjuncts to proper planning of operations of an undertaking. Such statements should be reviewed each year in the light of experience gained during the previous year. No doubt various factors are involved in such calculations and there might be quite a degree of variations which would render close estimates of the profitability forecast a difficult task. But this factor should not deter the undertakings from making as accurate an estimate as possible.

Dividend

(34) The Committee was surprised that it took Government a long time to lay down the policy guidelines regarding appropriation of surpluses. A perusal of these instructions shows that declaration of dividends should be considered after appropriating funds "to build up reasonable reserves and to augment their internal resources to finance the approved schemes of capital expenditure and/or to meet its immediate financial obligations without much strain". Unless the maximum percentage of profits that can be utilized for building up internal resources is laid down, dividends may not be declared for years despite profits. The maximum percentage of profits that can be utilized for building up internal resources should be indicated so that some minimum portion of the surplus is declared as dividend. Suitable instructions may be issued to all the undertakings in the light of the above remarks.

BUDGET

Preparation of Budget

(35) Government should make it obligatory for undertakings to prepare detailed budget estimates. As regards the form of budget it would be in the interest of public undertakings to lay down the procedure and form of budget.

(36) If the units concerned are asked to prepare their own budgets, they will be more realistic because they will be prepared by persons with first-hand knowledge. Moreover, the units will feel more responsible for adhering to the estimates. The system of concerned unit preparing its own budget may be adopted by all the public undertakings. The budgets of the units will, of course, have to be approved by the Board of Directors at the Head Office.

(37) In order to have better financial control over various activities of

the undertaking, all undertakings should prepare subsidiary budgets suited to their requirements. For the industrial undertakings, it is necessary to prepare a Sales Budget before fixing the production programme. Based on this programme, the different subsidiary budgets should be prepared and the general budget should be a consolidation of those budgets. Such a break up of the overall budget into subsidiary budgets would render easy an analysis of reasons for variation.

(38) A very important subsidiary budget for any undertaking is the Cash Flow statement which is necessary for ensuring optimum utilization of funds. It aims at forecasting the time of expenditure and makes estimates of sales realization, realizations of outstandings and utilizations of internal resources, so that only the balance will have to be raised by way of cash credit from banks or loans from Government. This will help in ensuring that the outstandings are not allowed to accumulate and that interest bearing loans or cash credits are restricted to the minimum possible.

Government Approval

(39) A capital budget should not be looked at from the point of view of funds alone. Even though an undertaking may have created surpluses to finance its capital budget, Government should be satisfied that the undertaking employing them judiciously. It should also continue to be submitted to Government for prior approval.

Release of Funds

(40) Most of the undertakings complained that they had experienced difficulties in getting funds released by Government. While the absence of proper checks may lead to premature withdrawal of funds by the undertakings, Government had gone to the other extreme of excessive control by allowing release of funds monthly. Both the points of view would be met if the funds are released on quarterly basis. It would be advisable to give full freedom to public undertakings to draw up to 90 per cent of the budgeted amount without reference to the administrative Ministry. As long as they get the required funds released by the Ministry within a reasonable time, there is no need for giving such a freedom. Since under the new procedure there is no need to consult the Ministry of Finance during the first three quarters, there should be no delay on the part of the administrative Ministry to release funds.

Appropriations within the Budget

(41) Since public undertakings are to function as commercial enterprises in the true sense, they should be given the necessary flexibility in the utilization of the funds at their disposal. There are of course certain undertakings which produce some specific items necessary for the economic and industrial development of the country. Barring such cases, which involve public interest, and where adherence to the production plan is essential, the other undertakings must be encouraged to bring in a flexible approach in regard to adjusting the production programme in such a way as to earn maximum profits.

COSTING

(42) The whole economic success of any project depends on an efficient and accurate system of cost control. A proper costing system should be introduced in all public undertakings. Without a proper costing system, it will not be possible to fix the prices correctly and to exercise adequate control over the various elements of cost.

(43) Since the detailed project report is the basis of judging the profitability of a project, Government should insist that an estimate of the cost of production must be included in the detailed project report. The vast experience gained so far in establishing and running of industrial projects should be utilized in making available to the consultants/collaborators such data as may be required by them for correctly estimating the cost of production and for making an independent check of the estimate made by them.

(44) Each undertaking will be in the best position to judge whether or not the integrated system of cost and financial accounts would be suited to it. But whatever the system, collection of cost data should be completed as speedily as possible. The undertakings should gear up their costing organization so that cost data is compiled by each undertaking within the shortest possible time.

(45) Introduction of standard cost is very necessary for exercising effective cost control. The standard cost should be calculated on the basis of normal levels of activity and efficiency and should be reviewed periodically so as to take into account changing conditions. There may be some difficulty in expressing the standard cost in monetary terms, as due to the all-round increase in price, standard cost is likely to become out of date very often. It will be advantageous to lay down physical norms for determining standard cost, *i.e.*, the quantity of materials that should be consumed per unit of end product, labour hours, machine hours, etc., per unit of end product.

PRICING POLICY

(46) Government should be the ultimate authority to decide the items whose price should be fixed by it. But they feel that it would be in the fitness of things if the method of price fixation is fair to the undertaking concerned.

(47) It is not possible to lay down any uniform method on the basis of which the public undertakings can be asked to determine the prices of their products. Their pricing policy will naturally depend on different selling conditions, such as competitive selling, partial monopoly, total monopoly, selling in public interest, selling only to Government, etc. Public undertakings should not, however, lose sight of the basic fact that they must prove to be viable economic units and earn a reasonable return on capital employed so that they could contribute to general revenues.

(48) When an undertaking is to sell in a competitive market, market price should be the guiding factor. If, however, the public undertaking is able to produce at a much cheaper rate than the market price, it should set an example by adjusting its price to the level of cost of production plus an adequate return on investment.

(49) In the case of partial and total monopoly, the principle of cost of production plus reasonable margin will have to be carefully applied because it will not leave any incentive to reduce the cost of production. Rather, the guaranteed return will be acting as an adverse factor in controlling costs. A suggestion made in this regard is to apply the import-parity price. The difficulty in this method is that Indian conditions differ vastly from conditions in foreign countries and, therefore, comparison should, more appropriately, be made with the home market price in those countries and not to the landed cost, because not infrequently, export prices are subsidised directly or indirectly.

(50) Quite often public undertakings are given partial or total monopoly in producing certain items

as an import substitution measure or for boosting exports. It is but right that when undertakings discharge such responsibilities, they should not be asked to run at a loss by being compelled to sell at prices lower than their cost of production. In such cases, the cost of production and a reasonable margin should be allowed to the undertakings. But to counter any apprehension that it would lead to laxity on the part of the undertakings in controlling costs, the cost of production should be determined by a body of persons which includes some impartial outsiders also. The same considerations apply when the undertakings are required to sell something in public interest at a price lower than the cost of production. In cases where the only buyer is a Government department, the price should not be allowed to exceed the cost of production plus a reasonable margin.

(51) In cases where the public undertakings are required to undertake the production of an unprofitable item at the instance of Government, specific directives should be issued by Government to the undertaking concerned.

(52) The items produced by different public undertakings should be classified into distinct groups and the guiding factors for determining the pricing policy for each group should be laid down by Government having due regard to the consumers' interests.

AUDIT

Statutory Audit

(53) The Committee were convinced that the supplementary or test audit of the accounts of public undertakings by the Comptroller and Auditor General in some form or the other is essential to ensure their accountability to Government and Parliament. They feel that the existing arrangements have been working by and large satisfactorily. If some undertakings have experienced procedural difficulties in attending to two audit parties at the same time, these can be solved by greater coordination between the Comptroller and Auditor General's office and the statutory auditors.

(54) The statutory auditors are responsible for the accuracy of the accounts and for certifying that the balance sheet and profit and loss account give a true and fair view of the affairs of the company. The Committee found that the scope of the normal audit by the statutory auditors has been considerably enlarged by the directions issued to them by the Comptroller and Auditor General. Normally, therefore, there may be no need for the Comptroller & Auditor General to examine the initial accounts and go over the ground already covered by the statutory auditors. The supplementary audit of the Comptroller & Auditor General should concentrate more on efficiency-cum-propriety audit so that his reports to Parliament give an overall appraisal of the financial working of the undertakings. The Committee further recommended that technical personnel may be associated by the Comptroller & Auditor General with his staff, so that the audit parties may be reinforced in evaluating and appraising efficiency in operation and management of the undertakings. The Committee suggested that a beginning may be made in this direction on an experimental basis.

(55) The Committee did not like to express any opinion on the recommendations of the Administrative Reforms Commission regarding formation of Audit Boards. From the evidence before them, it appeared that the Government consider it to be a distinct improvement over the present arrangements. During discus-

sions, the major undertakings also appeared to welcome the proposal if it would mean ending the present duality of audit work. The Committee had no doubt that before taking a decision in this matter, the Government will ensure that any new system will not only make audit more purposeful, but also go a step further in making Parliament's control over the public undertakings more effective.

Internal Audit

(56) An effective system of Internal Audit is an important instrument of financial control. Those undertakings which have not so far set up Internal Audit Departments should do so immediately.

(57) Functions of an Internal Audit Department should include a critical review of the systems, procedures and the operations as a whole, rather than merely of the accounting work. They are inclined to agree with the idea to associate technically qualified persons with professional accountants and to make internal audit a part of the functions of the management audit team. As regards actual extent and nature of checks to be exercised by the Internal Audit Department, the Committee feel that no uniformity can be prescribed as the checks will depend upon the peculiarity of the organization and the quality of internal control in each undertaking.

(58) For being effective, it is necessary to give certain amount of independence to the Internal Audit Department within the administrative set-up of the undertaking. The Committee, therefore, felt that the Internal Audit Department should not function under the person who is responsible for maintenance of accounts, but should be directly under the Financial Adviser, or the Managing Director as the case may be.

MISCELLANEOUS

Depreciation

(59) Straight line method for providing for depreciation should be introduced and adopted by the undertakings which have not introduced it so far.

(60) For enabling a comparison of the working of public undertakings, standardization of the different classes of assets and laying down the rates at which they should be depreciated would be necessary. If for purposes of rates of depreciation it becomes difficult to treat all public undertakings alike, they should be grouped according to the nature of the industry and uniform rates of depreciation of assets should be made applicable to the undertakings in each group.

Financial Powers

(61) The powers enjoyed by all the undertakings should be reviewed and refixed in such a manner as to bear relationship to the total capital outlay and the annual capital expenditure incurred by an undertaking. Such limits should be reviewed periodically with a view to making suitable adjustments.

Financial Rules

(62) Efforts should be made to standardize the financial rules applicable to public undertakings on the basis of the experience so far gained. A standard accounts manual should also be compiled and adopted by the individual undertakings with such modifications as might be considered necessary.

Account Heads

(63) All public undertakings should use the same account heads in the account books as given in the Project Reports as far as possible. In the case of those undertakings where detailed project reports are already in existence, action may be taken to

redistribute the expenditure estimated in the detailed project reports under heads used in the accounts books. The feasibility of drawing up a list of standard account heads under which expenditure should be estimated while preparing a detailed project report may also be examined.

(64) In addition, the account heads should also correspond to the budget heads so that progressive expenditure under each head can be watched against the budget provision and any variation can be promptly brought to the notice of the management.

U. K., THE CIVIL SERVICE : REPORT OF THE FULTON COMMITTEE 1966-68; London, Her Majesty's Stationery Office, 1968.

A twelve-member Committee under the chairmanship of Lord Fulton was set up on February 8, 1966 to "examine the structure, recruitment, and management including training, of the Home Civil Service, and to make recommendations", in the context of "changes which had taken place in the demands placed upon the Civil Service and of the changes in the Country's educational system". After deliberations for more than two years, the Committee submitted its report on June 26, 1968.*

The important findings/recommendations of the Committee are as under:

(1) Six main inadequacies in the existing Civil Service (as diagnosed by the Commitee are : (*a*) The service is still essentially based on the philosophy of the amateur (or "generalist" or "all-rounder")--a product of the nineteenth-century philosophy of the Northcote-Trevelyan Report. (*b*) The present system of classes in the Service—horizontally (between higher and lower in the same broad area of work) and vertically (between different skills, professions or disciplines)—seriously impedes its work. (*c*) Scientists, engineers and members of other specialist classes get neither the full responsibilities and corresponding authority, nor the opportunities they ought to have. (*d*) Too few civil servants are skilled managers. (*e*) There is not enough contact between the Service and the rest of the community. (*f*) Career planning, rational placement and development policies, motivation and incentive system, etc., are inadequate and unsatisfactory.

(Lord Simey, a member of the Committee, has appended a "reservation" note stressing therein that the above "emphasis on the services' present shortcomings gives a misleading impression of its future potentials".)

(2) For these and other defects, the Committee observes, the Treasury must accept its share of responsibility. The scale, character and content of the new tasks of the modern government call for new skills and different kinds of men and women in the Civil Service.

THE TASKS OF THE MODERN CIVIL SERVICE AND THE MEN AND WOMEN THEY NEED

(3) As a body, civil servants today have to be equipped to tackle the political, scientific, social, economic and technical problems of

* The report of the Fulton Committee is contained in five volumes as follows : (1) Recommendations of the Committee, (2) Report of a Management Consultancy Group, (3) Surveys and Investigations, (4) Factual, Statistical and Explanatory Papers, and (5) Proposals and Opinions.

our time. The Civil Service is no place for the amateur. It must be staffed by men and women who are truly professionals.

(4) The word "professional" includes two main attributes: (*a*) skill which comes from training and sustained experience, and (*b*) fundamental knowledge of and deep familiarity with a subject. There are two broad types of professionalism. In the first category are "Specialists" like doctors and scientists, who have acquired their professionalism or specialism by recognized training outside the Service. Others, like some draughtsmen and technicians, may acquire and develop their skills after joining the Service.

(5) The Civil Service has not always recognized the need for new kinds of specialism quickly enough or recruited enough specialists of the high quality that the public interest demands. Their organization in separate hierarchies, with the policy and financial aspects of their work reserved to a parallel group of "generalist" administrators, has manifest disadvantages. It slows down the processes of decision and management, leads to inefficiency, frequently means that no individual has clear managerial authority, and prevents the specialists from exercising the full range of responsibilities normally associated with their professions and exercised by their counterparts outside the Service.

(6) The Service should act more quickly to identify and recruit new specialist skills that are needed. It should allow specialists to carry more responsibility than they do at present; the obstacles preventing them from reaching top management should be removed; there should be a deliberate policy of training in administration and management for specialists who are to carry these greater responsibilities.

(7) The second kind of professionalism which needs to be much more fully developed is the professionalism of those members of the Administrative and Executive Classes who regard themselves, and are now treated as "generalists". But many lack the fully developed professionalism that their work now demands. They do not develop 'because of quick job-rotation', adequate knowledge in depth in any one aspect of the department's work and frequently not even in the general area of activity in which the department operates. Often they are required to give advice on subjects they do not sufficiently understand or to take decisions whose significance they do not fully grasp.

(8) New principles should be applied to the selection, training and deployment of administrators; they must possess the basic concepts and knowledge relevant to their area of administration.

(9) An Administrator must specialize, particularly in his early years, in one of the various areas of administration. At the same time, since modern administration requires men to have breadth as well as depth, and since civil servants operate in a political environment, it is important that such specialization should not be too narrowly conceived.

(10) Administrative specialization should be based on categorization by subject-matter rather than by departments or groups of departments.

(11) As a starting-point, two broad groups of administrative jobs which provide a field for specialization on the basis of their subject-matter: economic and financial, and social, each with its own internal specialisms have been proposed; this pattern should be reflected in the training and deployment of

administrators. Within the first broad group the emphasis in some areas of government may be on general economic planning and control; in others, on the problems of international trade or of particular industries; in some others, on the financial control of major programmes of capital and current expenditure; in others (mainly in technical and scientific departments) on the economic and financial aspects of large technological projects. There is a second broad group of administrative jobs where the basis is essentially social; for example, housing, town and country planning, education, race relations, social security, industrial relations, personnel management, crime and delinquency.

(12) Economic and financial administrators should, in addition to their skill in administration, have appropriate qualifications, experience, and training in such subjects as economics, finance, business administration and statistics, especially as applied to government work.

(13) The deployment of economic and financial administrators should not be limited to the main economic departments; they should be deployed in any department in posts that are mainly financial or concerned with economic administration and management.

(14) There will be a continuing need in some departments for economic and financial administrators who have been specially trained to apply their skills to work of a high scientific and technological content.

(15) Social administrators should have training and experience, in addition to their administrative skills, in the social studies relevant to modern government; the emphasis should vary depending on the social area of government concerned.

(16) Most social administrators should be concentrated in the main social departments, but many should be employed throughout the Service; there will be jobs in the economic departments for which social administrators are needed.

(17) Administrators should not replace those specialists whose primary concern is the practice of their specialism. Thus, the economic administrators in an economic department would not, for example, generally replace those who are economists by profession. Besides making their contribution to policy-making, the economic administrators will be providing a great deal of explanatory information for Ministers, Parliament and the public; they will also be engaged in negotiations with outside interests; many will be involved in the administration of existing economic policies. Jobs of this kind do not need to be, nor should they be, handed over to specialist economists. Indeed, a specialist economist who became immersed in these day-to-day problems of administration could not maintain the high degree of economic expertise his work demands.

(18) It should be the task of the recommended Civil Service Department to develop and refine these groups and keep them up-to-date.

(19) From administrators and specialists would come men and women who would be encouraged to specialize, and make their careers, in the kinds of work for which many different kinds of background and experience can be appropriate, such as contracts work, computers, O & M, personnel, etc.

RECRUITMENT, TRAINING AND CAREER MANAGEMENT

(20) Recruitment, training and career management should be as

closely integrated as possible; recruitment should be in the hands of those who also share a direct responsibility for the individual's subsequent training, deployment and development.

(21) The Civil Service Commission should cease to be a separate and independent organization; it should become part of a new Civil Service Department and its staff should be integrated with it; some of its functions should be shared with the employing departments. To secure independence in selection of an individual senior officer in the Civil Service Department can be designated as first Civil Service Commissioner" who need not be "subjected to ministerial or parliamentary questioning over individual appointments".

(22) The selection of recruits should be, and should be seen to be, independent of any form of patronage.

(23) Recruitment should be for specific ranges of jobs, "directly related to the needs of individual department" which must "play a larger part in the recruitment process", first, by indicating their "needs, at all levels both for the various kinds of specialist staff and also for the different types and groups of administrative staff", secondly, by a system of greater departmental authority for direct recruitment and thirdly, by better representation in the central recruitment process.

(24) The procedures of formal competition should be restricted to posts for which there are many well-qualified candidates for a small number of posts, and even then it should be made possible to offer outstanding candidates rapid appointment.

(25) Specialist staff should normally be recruited direct by the department or establishment that is to employ them; recruitment should be by interview before a board, consisting of a majority from the employing department or establishment but including a kindred specialist from outside the Service and a representative of the Civil Service Department. Non-graduate specialists also should be recruited by procedures similar to those recommended for graduate specialists.

(26) Of the non-specialist entry: (*a*) School-leavers with "A levels" should continue for the most part to be recruited by the Civil Service Department, but departments should be associated closely with the process. (*b*) School-leavers with "O Levels" should continue to be recruited by individual departments.

(27) Representatives of departments should be in a majority on selection boards, both central and departmental; they should be primarily composed of men and women with a good many years to go before retirement, unlike the present panel of interviewers which is dominated by "retired" civil servants.

(28) In the recruitment of graduates, etc., for administrative work the Service should aim to recruit, those with the best qualifications, aptitudes, qualities and experience for the jobs falling into one of the broad categories of administration. In the view of a majority of the Committee, this means that the relevance of graduates' university studies to their future work should be an important qualification for recruitment to administrative posts. This emphasis on "preference for relevance" does not, however, mean that "applications from those men and women of outstanding ability who have studied 'irrelevant' disciplines" are intended to be discouraged. Those appointed to the Service without a "relevant" qualification should be required, however,

either to: (*a*) take a special training course at the new Civil Service College in addition to that provided for all graduate direct-entrants to one of the two main groups of administrators; or (*b*) take a relevant post-graduate degree or course of study at the Service's expense at some university or other appropriate institution. A minority of the Committee (four out of twelve) take the view that 'preference for relevance' principle will, in practice, unnecessarily restrict the field of selection specially in the case of graduate administrators and "will involve a serious risk of defeating the essential aim" of attracting men and women of outstanding ability and character.

(29) Over the years, an increasing importance should be attached to the requirement that graduates seeking appointment to administrative posts should understand the use of numerical techniques and be able to apply quantitative methods to the solution of their problems.

(30) Non-specialist graduates should be recruited centrally by the Civil Service Department. There should be two main methods of entry for non-specialist graduates: (*a*) In the view of a majority, Method I should be retained in a modified form on a trial basis only. The papers should be restricted entirely to those with a direct relevance to the problems of modern government. The minority, however, suggests that Method I should cease to exist altogether. (*b*) Method II should involve a procedure based on that of the present Civil Service Selection Board, but with changes in the procedure and staffing of the selection process by way of a larger representative of employing departments among the selectors who should come, more and more, from younger age-groups.

(31) There should be an inquiry into the methods of selection to consider ways of making the process of selection more objective in character, the problem of reducing the time taken by the selection process, and the evidence of trends in recruitment.

(32) Graduate recruits to both administrative and specialist posts who are judged outstandingly able and well-qualified on entry should be offered a starting salary two or three increments above the basic for the entry grade.

(33) The Service should not seek to employ more graduates than a rigorous analysis of the work shows to be necessary.

Late Entrants and Recruitment for Short-term Appointments

(34) The Service should encourage a considerably large number of late entrants and temporary appointments for fixed periods. The prime factor in the appointment of late entrants should be the relevance of the skills, qualifications and experience they already possess for the job or range of jobs in which it is proposed to employ them.

The Management of New Entrants

(35) School-leaver recruits should be regarded as under training for the first three or four years; they should receive substantial induction training; they all should be carefully watched by personnel management; more specialized training should be provided as aptitudes and potential begin to emerge.

(36) A training grade should be introduced for the graduate entry and for those of the non-graduates who have shown the highest ability with a view to creating, among other things, a fast promotion route for the most promising young men

and women, depending on individual circumstances, it could be anything from two to five years.

(37) When they leave the training grade, trainees should go straight to the level justified by their performance, without regard to the claims of seniority.

Training

(38) In the more professional Civil Service of the future it will not be enough for civil servants to be skilled in the techniques of administration; they must also have a thorough knowledge of the subject-matter of their field of administration and keep up to date in it. Similarly, specialists need to be equipped to an appropriate degree for administration and management in addition to their normal skills in their specialism. In order to achieve this objective a Civil Service College should be created.

(39) The College should provide the following major training courses in administration and management: (*a*) Courses for specialists who need training in administration and management; (*b*) Post-entry training for graduates recruited for administrative work; (*c*) Additional courses in management for those in their thirties and forties moving into top management; (*d*) Refresher courses in the latest management techniques; and (*e*) Courses for the best of the school-leaver entry.

Some of these courses should be wholly or partly residential.

(40) The College should provide a wide range of shorter courses in both general management and vocational subjects, for all levels of staff and particularly for the more junior; there should be a review of the balance between central and departmental training.

(41) The College should also have two important research functions. It should conduct research into problems of administration and those of machinery into problems of administration and those of machinery of government. In addition, however, the Planning Units in departments, will commission the College to undertake specific research into problems of present or future policy on which they need assistance. The College should also encourage publication and open discussion to the greatest possible extent.

(42) Graduate trainees in the administrative groups should, after an induction course, spend up to two years in their departments in jobs selected to test their ability and aptitudes and develop their capacity to take responsibility. Once they have passed probation, they should embark upon their main formal training. This should last for up to one year, but it may well be appropriate to divide it into two or three approximately equal parts. The course should contain four main elements: (*a*) Further training in the subject-matter of the various administrative groups, designed to relate the concepts of the fields concerned (economic and financial or social) to the practical problems of government. (*b*) The techniques of modern management, including staff organization and management and the uses of numerate analysis as a tool for dealing with management, problems; (*c*) More advanced and specialized training in the application of an individual's specialism to his particular field of activity; and (*d*) The machinery and practice of government and administration including relations with Parliament public corporations, and local authorities.

The weighting and timing of these four broad elements will vary

between individuals. Between the parts of his training course, and after it is over, the graduate should spend some further time in his department, still under training but undertaking more responsible work. During this period also, as many as possible should gain experience of work outside the Service — in local government or private or nationalized industry, as is most appropriate. The whole process should take up to 5 years, after which the graduate should be posted to the grade and level of job commensurate with the ability he has demonstrated since joining the Service. The outstandingly able graduate who has entered without a relevant qualification for his administrative group should start the process after one of the additional courses of academic training outlined.

(43) Many specialist graduates should, after a few years in the Service, go to appropriate management course at the Civil Service College. For some the emphasis will be on the organization and control of staff, for others on the techniques of management and financial control. After the completion of such courses, and in any case within three or four years, the specialist should be posted to the grade and level of job commensurate with the ability he has demonstrated since joining the Service. Thereafter many should be selected to return to the Civil Service College at the appropriate stage for longer and more general courses in administration and management, to qualify them for the wider role they are expected to play.

(44) The 18-year-old entry should be encouraged to take additional qualifications appropriate to their work; bursaries and paid leave should be made available. Those going into management work will require training; the best should be picked out to join the graduates on major training courses.

(45) Courses at the Civil Service College should not be restricted to civil servants; on many courses a proportion should be set aside for men and women from other spheres.

(46) The Civil Service College should not attempt to provide the total amount of training required by civil servants; departments should continue to run their own courses; more civil servants should attend courses at universities and business schools.

(47) The College will need its own full-time staff but should also employ on a part-time or *ad hoc* basis civil servants, and teachers and instructors drawn from universities, business schools, industry and commerce, nationalized industry and local government.

(48) The Civil Service College should be under the general direction of the Civil Service Department, but it should have its own governing body consisting of civil servants and men and women from outside.

Career Management

(49) During the early years of a man's career he should remain within the specialism or group for which he is trained. This does not mean that he must stay in one job in one department; he should move between jobs and perhaps between departments but usually within the area of his specialism. As far as the administrator is concerned, he should move at much less frequent intervals than he does now. While there will be a great variety of individual career patterns, basic principle of career management should be a progressive development within a

specialism and between fields of activity that are related to each other. The increased attention to personnel management and individual career planning should apply to specialist no less than to administrative staff. The personnel and organization branches of departments will need to be expanded. The new Civil Service Department must play a much bigger role in this respect than the management side of the Treasury does now.

(50) The right promotion at the right time is an essential part of the process of developing to the full the talents of the men and women in the Service.

(51) Seniority should count for promotion when it reflects experience of value for higher posts; but there should be more opportunity for the really able to move rapidly up. In the assessment of staff more weight should be given to performance on the job measured against set objectives.

(52) A man's performance before a promotion board should not be the decisive factor in determining fitness for promotion; the primary job of the board should be to produce a fair and uniform judgement of individuals promise and potentiality based primarily on their supperiors' assessment of their performance in their present job.

(53) For promotions to posts at the level of Assistant Secretary, Under Secretary, etc., the Permanent Secretary should be assisted by a small committee (a "paper board"); there should be specialists on the committee, and, for promotion to Under Secretary level, a representative of the Civil Service Department.

(54) Personnel management and organization work will call for higher expertise and greater specialization. Those specialising in it should from time to time get experience of work in the field outside the Service; they should have had experience of working in an operating division and of the effect of "Personnel & Organization Work" (the new term for 'establishment work') upon them.

MOBILITY, PENSIONS AND A CAREER SERVICE

Late Entry

(55) Late entry into the Service, both in the specialist disciplines such as engineering (where there is already some) as well as on the administrative side such as Administrative and Executive classes, (where it is sporadic and unduly restricted) should be considerably expanded. There are people in business, the professions, nationalized industry, local government and the universities whose experience would be most valuable to the service. There should be no restriction on the levels to which suitably qualified and experienced people from outside the Service can be directly appointed. A steady inflow of suitably qualified older entrants with new ideas and relevant experience would, bring great benefit throughout the Service.

Temporary Appointments

(56) There should be more temporary appointments on short-term contracts, particularly of specialists. The Service should find means of reducing the proportion of other temporary staff and should examine ways of ensuring that civil servants do not continue to serve on a temporary basis for unduly long periods.

Interchange of Staff with other Employments

(57) Determined efforts should be made to bring about, as a two-way

process, the temporary interchange of staff, both administrative and specialist, with other employments on a much larger scale. Interchange is relatively easier to promote for specialists than it is for administrators. The value of interchange in the case of former lies in the fact that the Civil Service specialist cannot always acquire within the Service the knowledge and, still more, the practical experience that his work requires. The administrators, too, need to acquire knowledge in depth of a kind that can come only from a working experience of another sphere of activity and the best arrangement for them seems a shorter attachment or study-visit.

Personal Appointments by Ministers

(58) Several times in recent years Ministers have brought in professional experts and advisers of their own, as a means of bringing new men and ideas into the service of the State. A Minister should be able to employ on a temporary basis such small numbers of experts as he personally considers he needs to help and advise him. They should, however, be men, and women of standing and experience.

Movement out of the Service

(59) The corollary of more late entry into the Service is a similar flow out of the Service. This outflow can be of three types: (*a*) However well the Service is managed, there will always be able men and women who may decide, for personal or other reasons, to leave the Service for another kind of work. At present the pension arrangements make voluntary severance difficult. The Committee thinks that restrictive pension arrangements are not the right way to keep staff—even those with scarce skills whose departure is a real loss to the Service. (*b*) The Service should take the system of probation much more seriously than it appears to do at present, so that some separation may also be possible on ground of unsatisfactory performance during probation period. (*c*) The Service should also have wider powers to retire on pension those who have ceased to earn their keep, and should use them with more determination.

Civil Service as a Career

(60) The Civil Service should remain a career service in the sense that most civil servants should enter at young ages with the expectation, but not the guarantee, of a lifetime's employment; and that the great majority of those who come to occupy top jobs will in practice be career civil servants. The "substantial reasons" cited by the Committee are: (*a*) A Civil Service should be truly professional—expert both in the subject-matter and in the methods of public administration. Long experience and accumulated knowledge are essential parts of this concept. (*b*) Civil servants must be able to give forthright advice to their superiors and to Ministers without fearing that a clash of views might lead to dismissal from the Service. (*c*) Really able young men are more likely to come into the Service if they know that the top jobs are open to them.

Terms of Service and Pension Arrangements

(61) At present, the rules of the pension scheme greatly restrict free and facile mobility into and out of the Service. While there is a well-developed system for transferring pension rights in moves between employments in the public sectors, this does not extend to moves between the Civil Service and Private employment. The Service should,

wherever practicable, make transfer arrangements with private employers to facilitate late entry, and that all civil servants who have served for an appropriate qualifying period should be able to transfer or preserve their pension rights on voluntarily leaving the Service. A frozen pension should be awarded on voluntary leaving in cases where a more satisfactory transfer arrangement has not yet been made.

(62) Every civil servant subject to having served for the appropriate qualifying period should be entitled to a pension related to the length of his service; the pension scheme should be extended to cover temporary staff.

(63) Five years should be substituted as the qualifying period both for a frozen pension and for a pension on final retirement.

(64) The management should retain reserve powers to withhold the preservation of pension rights, but they should be used very sparingly.

(65) The possibility of basing retirement pensions not on the average salary over the last three years of service, but on the average salary over the *best* three years, should be considered.

(66) The feasibility of a change to a contributory pension scheme should be examined as quickly as possible.

(67) The Service needs wider and more flexible powers than those provided in the present Superannuation Act in two respects: (*a*) to provide reasonable severance arrangements for those who are obliged to retire in the interests of the Service before they reach the normal retiring age, and (*b*) to offer improved pension arrangements where these are needed to attract into the Service individual late entrants with special ability, qualifications or experience.

(68) At present an officer is established or confirmed when he is admitted to the Civil Service with a certificate for the Civil Service Commission. The existing link between 'establishment' and pensionability should be broken. In fact, the Committee thinks that the 'establishment' itself, which has "acquired overtones of comfort and complacency", should be abolished. The new terms of employment should be: (*a*) For all appointments except temporary staff, there should be a two-year period of probation. (*b*) On successful completion of probation, an individual should be informed and offered indefinite employment subject to a reasonably long period of notice; say up to six months on each side. The Service should be able to end the employment only on of the following grounds: (*i*) redundancy, (*ii*) ill-health, (*iii*) disciplinary reasons, (*iv*) culpable inefficiency, and (*v*) early retirement in the interests of the Service. In each case there should be appropriate safeguards for the person concerned. (*c*) Temporary staff should whenever possible be offered short-term appointments for a specified number of years.

(69) The process of confirming a civil servant in his appointment should be handled in a way that reduces the administrative complications involved in the process. It should be deferred until successful completion of probation. There should be considerable delegation of authority, subject to appropriate checks by the Civil Service Department.

Compulsory Early Retirement

(70) A civil servant over the age of 50 may be prematurely retired for inefficiency with the immediate payment of the pension earned by his service.

(71) A new procedure should be introduced for the senior ranks of the Home Civil Service to deal with those officers whose retirement is "desirable in the public interest". The procedure should include provision for an appeal to an independent board: the person concerned should be given the maximum amount of warning at all stages of the procedure. There should be some enhancement of pension in the case of officers retired prematurely under this procedure.

THE STRUCTURE OF DEPARTMENTS AND THE PROMOTION OF EFFICIENCY

(72) While recognizing that there can be no standard pattern of departmental organization for achieving maximum departmental efficiency and for enabling men and women to get the greatest satisfaction from their work, the Committee feels that large organizations including government departments, need a structure in which units and individual members have authority that is clearly defined and responsibilities for which they can be held accountable.

(73) The principles of "accountable management" should be applied to the work of departments. Where measures of achievement can be established in quantitative or financial terms and individuals held responsible for output and costs, accountable units should be set up: work of this kind should be organized into separate "commands": the manager of each command should be given clear-cut responsibilities and commensurate authority and should be held accountable for performance against budgets, standards of achievement and other tests, within his unit he should set up subsystems of responsibility and delegated authority.

(74) In much administrative work, measurable output cannot always be made the criterion for assessing performance; the principle to be applied is management by objective; the objectives and priorities of the branch should be clearly established; individuals at all levels should know what they are responsible for and what authority they have. The effectiveness of the branch and the contribution of its individual members could then be more objectively assessed.

(75) When several departments, or several branches within a department, have a substantial interest in the same problem methods should be devised of concentrating in one man or group the responsibility for organizing the material and putting forward a solution; departments should make opportunities for adopting the problem-solving approach whenever they can.

(76) A general obstacle to the clear allocation of personal responsibility and authority frequently arises from the number of levels in the hierarchy. The number of working levels in the traditional organization of the flow of business should, therefore, be reduced. With "flatter" structures there can be a more precise allocation of responsibility and authority, and the Service ought to make bold experiments in this direction.

(77) Where, however, administrators and specialists are jointly engaged on a common task, there

should be a single integrated structure under a single head, who should be the man with the most appropriate qualifications for the job. Below him administrators and specialists should be integrated in teams or unified hierarchies, in which the individual posts are filled by administrators or specialists according to the requirements of the task.

The Departmental Management Service Unit

(78) To guarantee full efficiency and the maintenance of the highest standards of management, the Service must devise the right machinery for ensuring that each department keeps its organization up-to-date, conducts a regular audit of its efficiency, and constantly applies the best available methods and techniques to its tasks. Each major department should contain a management services unit with wider responsibilities and functions than are given to O & M divisions at present and, in particular, with the following changes: (*a*) There should be efficiency; audits involving all aspects of the department's work at all levels, with special attention to studies designed to improve organizational efficiency. (*b*) The management services unit should be made responsible for promoting the use of the best management techniques; (*c*) O & M should be equipped to operate effectively at all levels in a department; and (*d*) The functions of O & M and staff inspection should be combined in the same unit, which would mount operations of varying scale and depth according to the problem.

(79) The staff of the management services unit should be drawn from administrators, appropriate specialists, including accountants, and those with experience of similar work outside the Service; many should spend long periods in this type of work; many should have a relevant degree or professional qualification and experience as a manager or administrator in an operating division, followed by more specialized training in management techniques and subsequent refresher training.

(80) Departments should continue to bring in outside consultants for special assignments.

(81) Management services units themselves should be periodically subjected to external efficiency audit.

(82) Much more needs to be done to improve the physical surroundings in which civil servants work.

Policy Planning

(83) A department's responsibility for major long-term policy planning should be clearly allocated to a planning and research unit. The unit should be relatively small. Its main task should be to identify and study the problems and needs of the future and the possible means to meet them; it should also be its function to see that day-to-day policy decisions are taken with as full a recognition as possible of their likely implications for the future.

(84) Planning Units should be staffed by comparatively young men and women who should not normally remain in them beyond their mid-forties. Some of the most able, vigorous and suitably qualified young civil servants will be able to have an early and direct impact on top policy-making, as they do so impressively in France and Sweden. Planning Units also offer scope for the employment of men and women on short-term contracts or temporary secondment to the government service.

The Overall Direction of Departments

(85) The present structure of departments needs reinforcement and diversification at the highest levels. No Permanent Secretary would claim to be equally skillful at all aspects of his job. There should be a senior Policy Adviser or Advisers in most, if not all, departments to assist the Minister; he should be the head of the Planning Unit; his prime job would be to look to and prepare for, the future and to ensure that day-to-day policy decisions are taken with a full recognition of likely future developments; he should have direct and unrestricted access to the Minister and should be free to determine, after consultation with the Permanent Secretary but subject only to the approval of the Minister, what problems his Planning Unit should tackle; he should not have responsibility for the day-to-day operations of the department; his rank should not normally be below that of Deputy Secretary.

(86) In some big technical departments, it may be right to appoint a chief scientist, engineer, etc., to take charge of the department's technical work.

(87) One man, the Permanent Secretary, should continue to have overall responsibility for all the affairs of the department; he should be head of the office under the Minister.

The Delegation of Responsibility to Autonomous Public Boards

(88) Accountable management is most effectively introduced when an activity is separately established outside any government department: this solution should be adopted for many executive activities, especially the provision of services to the community. There is indeed a wide variety of activities to which, the committee feels, it might be possible to apply the principle of "hiving off".

THE STRUCTURE OF THE CIVIL SERVICE

(89) The Civil Service must have a clearly articulated and relatively formal structure which should enable all civil servants, whatever their background, skill or discipline, to make their full contribution to the work of government; in particular, scientific and other specialist staff should be able to bring their professional training and outlook to bear effectively upon today's major problems of policy-making and management. This means an open road to the Service for all kinds of talent.

(90) This structure, as operated today, presents serious obstacles to the most flexible and rational use of staff: (*a*) It prevents the best deployment and use of individual talent. (*b*) It is a major obstacle to the ability of the Service to adapt itself to new tasks. Each class tends to regard the posts that its members usually fill as its own preserve. (*c*) The career opportunities that are thus defined for the different classes vary greatly in their attractiveness and scope, even for people with similar educational qualifications. (*d*) The word "class", and the structure it represents produce feelings of inferiority as well as of restricted opportunities. (*e*) The structure also leads to the inefficient organization of work. (*f*) That the system of classes stands in the way of the most efficient method of matching men to jobs. This is because "classes' are too crude an instrument for the purpose.

Mobility, Pensions and a Career Service

(91) The structure of the Service should be based on the following

principles: (*a*) Both the grading of a post and the selection of the man to fill it should be based on an evaluation of the job. (*b*) Management should appoint to each post the person it considers best fitted to fill it. (*c*) No posts should be the preserve of any group except insofar as the individuals comprising the group may be uniquely qualified for them. (*d*) It should be the right and duty of management to determine the new qualifications and experience required for particular posts from time to time. (*e*) In filling individual posts, management should promote the right man even if he is not the next in the order of seniority, or bring him in from outside the Service if he cannot be found within it or if it believes that an appointment from outside would bring a valuable reinforcement of skill and experience. (*f*) The pay of posts should continue to reflect the rate for the job on the basis of fair comparison with market rates for jobs of comparable responsibility and authority outside the Service. (Outside comparison should be made as part of the process of job evolution.) (*g*) The structure should permit work to be organized in such a way that chains of command reflect the demands of the task and, where necessary, cut across any groupings by discipline or type of skill.

The application of these principles demands that:

(*i*) the divisions between higher and lower classes should be abolished, and that a continuous grading-system from bottom to top should be substituted in each occupational group, and

(*ii*) the principle of the best man for the job should apply between civil servants of different occupations no less than between those who enter the Service with different levels of educational qualification.

(92) To give full effect to these proposals, the present multitude of classes and their separate career structures should be replaced by a classless, unformly graded structure.

(93) The salary range or scale for each grade should be relatively broad and there should be overlapping of salaries between grades.

(94) All the jobs now performed by the many different classes should be fitted into the appropriate grade by a process of job evaluation.

(95) At all levels where the work requires civil servants to specialize, occupational groups will be needed and civil servants should generally be recruited and trained as members of them.

(96) Occupational groups will tend to develop their own career patterns, and it should be established that it is normal to skip grades on promotion.

(97) Negotiation and arbitration in the settling of pay claims should be preserved.

(98) Each grade should carry a range of pay except the grade equivalent to that of Permanent Secretary, which should be paid at a flat rate. (Three members of the Committee, however, feel that the principles of job evaluation and outside comparison should extend to the most senior posts in the Civil Service, and even the highest posts should, therefore, be paid on a salary band.)

(99) Progression through the pay-scale of each grade should be more flexible; it should be possible

to reward merit by extra pay as well as by promotion; annual increments should continue up to the level of Under Secretary, but: (*a*) Additional increments should be granted for especially good work and for success in gaining relevant qualification; and (*b*) Increment should be withheld when they have not been earned.

Above this level the range of pay for each grade should become a "band" of pay; the progress of of each officer through the band should not be on a regular incremental basis but determined by an annual review of his performance.

Priorities in the Establishment of a Unified Grading Structure

(100) The Civil Service Department should mount a major study to work out the details (including the number of grades and the system of job evaluation appropriate to the Service) of a scheme for a unified grading structure together with the time-scale for its application.

THE CENTRAL MANAGEMENT OF THE CIVIL SERVICE AND RELATIONS WITH STAFF ASSOCIATIONS

(101) The role of central management should be changed and enlarged; its primary role should be to ensure that the Service is continuously governed by the principle, 'look at the job first and then, match it to the best men and women'.

(102) Central management should have the appropriate degree of ultimate authority in those questions that affect the interests of the public service as a whole.

(104) The expanded and unified central management of the Service should be made the responsibility of a new Civil Service department created specifically for that purpose; which should absorb the functions of the Civil Service Commission, and carry the responsibilities for central management.

(104) The new department should be staffed by a mixture of long-term and short-term appointments; departments should release some of their best men for a period of service in it, and some should be appointed from outside the Service.

(105) The department should include specialists; there should be an appropriate measure of central management for all the major occupational groups. The Civil Service Department should itself command all the necessary information about the specialist groups and be so staffed as to be able to handle them with direct knowledge and professional management expertise.

(106) The new department should include a Planning Unit.

(107) The official head of the Civil Service Department should be designated Head of the Home Civil Service; he should receive a lead in pay over the other official heads of departments in the Home Civil Service.

(108) The Prime Minister will remain directly responsible for senior appointments as well as for the machinery of government and security. In putting forward names for top appointments to the Prime Minister, the Head of the Civil Service should be assisted by a committee of variable composition drawn from a panel with a rotating membership consisting of Permanent Secretaries, scientists and other specialists and one or two eminent people from outside the Service. This procedure should cover all appointments at the salary level of Deputy Secretary and above.

(109) The Prime Minister may wish to delegate day-to-day responsibility, outside the area for which he is directly responsible, to a non-departmental Minister of appropriate seniority who is also a member of the Cabinet.

Relations Between the Civil Service Department and Other Departments

(110) The principle should be to delegate to individual departments the maximum authority in staff and organization matters compatible with the requirements of the Service as a whole.

(111) On questions of departmental efficiency and organization, the main role of the Civil Service Department should be to encourage the use of the most modern techniques; it may have a special part to play in assisting reorganization at the higher levels of other departments; in the last analysis it should be in a position to call departments to account for failure to use the recommended techniques, to carry out investigations of departmental organization and to recommend improvements.

(112) In the management of staff, especially the planning of careers, the main responsibility must remain with the employing departments; but the Civil Service Department should play a larger part than the Treasury does today and should have more ultimate authority; it should be responsible for informing itself about those civil servants who are identified as capable of filling the highest posts, should consult with the employing departments about their training and development and should take the initiative in proposing appropriate moves; it should have a voice, especially during the early years of the new system, promotions to the Senior Policy and Management Group and should be represented on all the departmental boards for promotions within the group.

Relations with the Treasury

(113) The functions now exercised by the "Pay and Management" group of the Treasury should be transferred to the Civil Service Department, including: (*a*) responsibility for advising the Prime Minister on machinery of government questions; (*b*) general supervision of departmental organisation; (*c*) the development and dissemination of administrative and managerial techniques.

(114) The Civil Service Department should be solely responsible for applying the Government's incomes policy to the public service.

(115) The central responsibility for ensuring that departments are efficiently and economically staffed should rest solely with the Civil Service Department.

Whitley Council Machinery and the Role of Staff Associations

(116) The staff associations and the Civil Service Department should jointly take part in a review to determine the new pattern of joint consultation that will be appropriate for the Civil Service; the pattern of joint consultation should reflect, not determine, the results of these changes.

THE CIVIL SERVICE AND THE COMMUNITY

(117) The increasingly wide range of problems handled by government, and their far-reaching effects upon the community as a whole, demand the widest possible consultation with its different parts and interests. Consultation with the interests concerned should, therefore, be as wide as possible and should

form part of the normal processes of decision-making.

(118) The Government should set up an inquiry to make recommendations for getting rid of unnecessary secrecy; the Official Secrets Acts should be included in such a review. The fuller the information, the closer the links between government (including both Ministers and civil servants) and the community; and the smaller the gap of frustration and misunderstanding between "them" and "us".

The Civil Service and Parliament

(119) Members of Parliament should be more purposively associated with the work of government than they are now. In developing this closer association with departments, Parliament will concentrate on matters of real substance, and take fully into account the cumulative cost (not only in time but in the quality of administration) that the raising of minutiae imposes upon them.

Anonymity of Civil Servants

(120) The convention of anonymity should be modified and civil servants, as professional administrators, should be able to go further than now in explaining what their departments are doing, at any rate so far as concerns managing existing policies and implementing legislation.

(121) It should be exceptional for a Minister to change his Permanent Secretary, but Ministers should not be stuck with Permanent Secretaries who are too rigid or tired.

Serving the Community

(122) Ordinary citizens confront the State at many points in their everyday life. The Civil Service, as the agent of the State, is bound constantly to touch very sensitive nerves. In consequence, its qualities of integrity, understanding and efficiency are profoundly important to ordinary men and women. It is manifestly in the interests of both the Service and the Community at large that they should not be remote from one another.

Manpower

(123) New policy proposals should be accompanied by detailed estimates of manpower costs; these no less than other costs, should be the subject of parliamentary and public debate.

APPENDIX

Procedures Followed by the Committe for the Report

In formulating its recommendations and drawing up its report, the Committee commissioned six investigations, indicated below :

(1) *Management Consultancy Investigation*

This was an investigation by the Management Consultancy Group appointed by the committee to examine a number of blocks of Civil Service worl . The total complement of 23 blocks of civil service work in 12 departments were examined: the staff associations concerned encouraged their members to co-operate, and nearly 600 individual Civil Servants took part in

interview and helped this group in other ways. The report of this group contained in Vol. 2 of the Report, discusses matters relating to strengths of the Civil Service, Work Environment of the Civil Service, the Administrative and other Classes, Relationship between Specialists and Administrators, Work of Establishments and Organisations Divisions, Management and Organisation, and so on.

(2) *Social Survey*

This was a survey conducted through questionnaire designed to provide the outline of sociological portrait of the main general service classes of the Civil Service.

(3) *Entrants of the Administrative Class in 1956*

A survey was conducted by questionnarie and interview of those men and women who entered the Administrative Class as Assistant Principals in 1956.

(4) *Unsuccessful Candidates for the Administrative Class in 1951*

A survey was conducted by questionnaire designed to examine the subsequent careers of candidates who had been unsuccessful in the open Competition for the Administrative Class fifteen years before this enquiry by the Committee.

(5) *Administrative Class Follow-up*

A follow-up survey of the members of the administrative class was conducted to compare the relative progress and performance of different types of entrants and to check the validity of the Selection procedure.

(6) *Report of the Civil Service since Northcote-Trevelyan*

A study was made of the work of the main Royal Commissions and committees that have so far examined the Civil Service.

(The surveys and investigations mentioned at serial numbers 2 to 5 are contained in Vol. 3 of the Report.)

In addition, the Committee had the benefit of Voluminous factual and statistical material prepared especially by the Treasury, the Civil Service Commission and other departments. Volume 4 of the Report, on factual, statistical and explanatory papers, contains eight sections: Section I is the Introductory Factual Memorandum which the Treasury prepared for the Committee as a general work of reference; Section II contains the evidence on manpower; Section III on recruitment; Section IV on terms of service; Section V on structure and staff representatives; Section VI on training; Section VII on careers and career management; and Section VIII on management services.

The Committee had also profited from its visits to France and Sweden in drawing upon the French and Swedish experiences in more progressive sectors of Public Administration.

The Committee also received a great deal of written evidence, which are contained in Vol. 5 of the Report, from the Treasury and other departments, the Civil Service staff Associations. organizations outside the Civil Service (political parties, professional and learned bodies, nationalized and private industries, local authority associations and others), and individuals both inside and outside the Civil Service.

BOOK REVIEWS

CONSTITUTIONAL AND ADMINISTRATIVE LAW; By O. HOOD PHILLIPS, London, Sweet & Maxwell, 1967 (fourth edition), p. 866.

PRINCIPLES OF ADMINISTRATIVE LAW; By J. A. G. GRIFFITH and H. STREET, London, Sir Issac Pitman and Sons Ltd., 1967 (fourth edition), 45s, p. 338.

Revised editions of textbooks are refreshing reminders of the need to keep our academic studies abreast of contemporary developments. Both the books mentioned above have been standard textbooks for over fifteen years, and are now in their fourth editions, provide excellent examples of the art of revision. As Professor Hood Phillips points out: "Perhaps the hardest part of the task is what may be called unwriting, that is pruning or condensing old material, not because it is obsolete—in which case it can easily be cut out—but merely to prevent the book gradually lengthening through accretion." The books have been in part substantially rewritten and the materials have been rearranged to include current developments and to uncover fresh perspectives and new horizons in constitutional and administrative law. Happily, the learned authors take a broad view of the scope of legal studies and have freely discussed the emerging outlines of changing conventions, trends of judicial decisions and parliamentary reforms. One is tempted to entertain the hope that the law teachers in our country would ponder over the simple opening statement in the preface to the first edition of Principles of Administrative Law by Professors Griffith and Street: "The syllabus of a formal course of legal education can never be static. From time to time new topics win a place in the sun, either because of their intrinsic importance, or because they are suitable vehicles for training in mental discipline or legal methods of thought, or because they are deemed necessary for the presentation of a rounded view of contemporary society." Equally forthright is Professor Hood Phillips' rejection of the counsel of orthodox legal pedagogy to exclude the conventions of the Constitution from the purview of the law student.

Professor Hood Phillips' Constitutional and Administrative Law is professedly and by conscious option a textbook designed to be used for initiating undergraduates into the complexities of constitutional and administrative law and this task is accomplished with remarkable facility and consummate skill. The book starts by discussing the terms "Law", "State" and "Constitution" and by explaining certain fundamental concepts, such as the legislative supremacy of Parliament and constitutional conventions in simple words and lucid style. In later chapters, when the learned professor embarks on an elaborate treatment of subjects like the High Court or Parliament, the Lords and Commons in Conflict, Parliamentary

Procedure, National Finance, the Cabinet and the Prime Minister, Rights and Duties in time of Emergency, Delegated Legislation, Judicial Control of Public Authorities, and Crown Proceedings, the narrative is clear and comprehensive as well as accurate and absorbing. Each chapter is precisely focussed. Occasionally one does encounter instances of over-simplification, but the author is also quick to state the limitations of a simplified proposition. The author generally does not go beyond hinting his preference for a certain line of interpretation and seldom enters into a contentious argument, which is more a virtue than a shortcoming in a text-book of this nature.

The chapters on the Cabinet and the Prime Minister, the Central Government Departments and Civil Service and Delegated Legislation contain a wealth of materials brought up-to-date and presented in a short compass. These are chapters which have a significant bearing on our own institutional framework and make a stimulating reading.

There is one distressing feature which detracts seriously from the quality of production one would expect from a reputed publisher. There are several blank pages and incomplete chapters in the book, which leave the reader in mid-air. For example, pages 514 and 515 in the chapter on Rights and Duties in time of Emergency are missing, and again the chapter is left incomplete after page 517 in the midst of a sentence. Similarly, the opening page of Chapter 26 on Local Government as well as pages 526, 527, 530, 531, 534, 535, 538, 539, 542 and 543 are altogether missing.

Principles of Administrative Law by Professors Griffith and Street is an essential and an indispensable book for students of British law, local government and public administration. Its merit is that it has grown over the years in the classroom and seeks to meet the broad requirements of a basic course in Administrative Law. I for one am inclined to agree with the authors that "Administrative Law" is now a strong claimant for the status of a compulsory subject" in the curriculum of legal education, for it provides singularly rich materials and remarkable insights into the nature of the judicial process and the conflict and conciliation of juridical and socio-economic forces. I would not claim that Administrative Law can be wholly separated or distinguished from Constitutional Law. Neither is it correct to suggest as Holland sought to suggest that while constitutional law deals with structure, administrative law deals with function; nor is it possible to be satisfied by claiming with Sir Ivor Jennings that "Administrative Law is the law relating to the Administration. It determines the organization, powers and duties of administrative authorities". Perhaps the most rational course in the opinion of the writer of this review is to treat Administrative Law as a specialized branch of Constitutional Law which takes for its point of departure and differentiation the special emphasis it places on civil service structures and administrative processes and functions.

Professors Griffith and Street have discussed the manifold problems of British Administrative Law under the following heads: (*a*) The Legislative Powers of the Administration, (*b*) The Control of the Legislative Powers of the Administration, (*c*) The Administrative and Judicial Powers of the Administration, (*d*) The Control of the Administrative and Judicial Powers

of the Administration, (e) Suits Against the Administration, and (f) Public Corporations.

The essay on the Legislative Power of the Administration deals with the arguments for and against delegated legislation. Analysing the nature and extent of parliamentary control, the learned authors observe at pages 71-72: "The passing of the power to govern from the King to the King's Ministers and the establishment of the doctrine that the Ministers should not only sit in Parliament but should be Ministers because they collectively command a majority in the House of Commons have resulted in an increase in governmental power which is not offset by the doctrine of ministerial responsibility. At the same time that responsibility is very real. It is easy to deny that Parliament controls the Administration, but to say that the Administration controls Parliament tends to overlook the great influence which Members of Parliament have on the actions of the Administration. The Administration leads its political parliamentary party but must pay close attention to the feelings and opinions of the members of that party. The fact that a back-bencher answers to the Whip does not mean that he is a driven mule. There is a form of majority rule within the party and if a back-bencher records his vote for the Administration feeling very dubious of the wisdom of the decision, it is probably because he has, outside the Chamber, given expression to his opinion, perhaps at a meeting of the parliamentary party, but has found himself in a minority. Further, the criticisms of the Opposition must be faced and an answer found. Modifications may have to be made on matters of detail if not of principle. The administration is involved in a political struggle in Parliament, though not, in the older sense, in a political struggle with Parliament."

There is no gainsaying the fact that today, most critics of delegated legislation admit its inevitability and concern themselves with keeping it within the closest practicable bounds. According to the authors, two significant safeguards should be operative as a consequence of the accepted objective of rational regulation of delegated legislation:

(*i*) Care should be taken to ensure that Bills contain those matters involving principles of policy and execution which Parliament is particularly fitted to examine and that matters of detail only should be left for subordinate legislation, avoiding the anomaly of Bills loaded with details and subordinate legislation seeking to enunciate principles; and

(*ii*) That legislation should also be considered by those who are likely to be affected by it and who will be able to grasp its significance and assess its practicability and likely effect. In other words, consultation of affected interests should be made an integral part of the legislative process, particularly with respect to subordinate laws.

It may be noted here that the progress of legislative rationalization has been tardy in most countries, and a wholesome and practical yardstick of differentiation for enunciation of policy and for subordinate legislation has eluded human intelligence so far. It is true that consultation of interests likely to be affected is being accepted as a legislative norm, but the reality is that the effectiveness of consultation depends largely on the strength and responsiveness of public opinion in a given situation.

The chapter on "The Control of the Administrative and Judicial Powers of the Administration" deals *inter alia* with the 'control and watchdog' functions of Parliament. The learned authors are of the view that: "To say that the House of Commons formulates and controls policy, and controls administration when debating and questioning on these occasions seems inaccurate. The principles of policy are conceived and formulated by the organs of the politcal party in power. These principles are applied and the details of policy determined by the Cabinet as the concrete problems arise. The House of Commons considers Government policy, criticizes and approves; but at no time does it formulate policy... Nor does the House "control" policy... The power of the House to reject Government policy can scarcely be called a controlling power; to control means, at least, to restrain and, at most, to govern; it is a positive not a negative action; to control policy means to direct a policy towards a certain end, not merely to reject it" (p. 203).

While the authors concede that there are occasional examples of the modification of Government policy as a result of discussions in the House, they maintain that such occasions are very rare. The authors argue with considerable justification that "the idea that the House of Commons control policy is based on the fiction that Parliament controls the Executive and that every Member considers each proposal on its merits, votes according to his own evaluation, and is free from any discipline of party". The conclusion is that "the power of the Government Whips over wavering members is a far greater influence than the speeches of a few individuals". It is possible to argue that the authors take too formalistic a view of "formulation" and "control" and that Parliament and its Committees do actually contribute towards formulating and controlling policies and administration by investigation, criticism and approval and by exerting influence at various levels in a variety of ways. The fact of the matter is that the extent to which the Parliament influences the Government is never fully known. What we do know is that such influence is neither decisive nor uniform. Mr. Lloyd George giving evidence before a Select Committee in 1931 pointed out that the House has no real effective and continuous control over the actions of the Executive. He said, "I am speaking now after forty years of experience: Parliament really has no control over the Executive; it is pure fiction" (p. 205). The reason for the decline of Parliament's role is that the parliamentary apparatus is inadequate to cope with the unprecedented expansion of administrative functions. The Question Hour tends to be restricted and superficial; parliamentary debates often are, to quote Sir Winston Churchill, discursive, disconnected and futile. The authors sum up the position in the following words: "A master has power not only to dismiss his servant but also to order him to do certain work in a certain manner. Parliament has the former but not the latter power." The present reviewer would qualify the proposition by saying that if this were so, a servant who hopes and wishes to remain in service would more often than not take pains to do his work in a manner which is likely to please his master and to meet with his approval. As a matter of fact the master-servant analogy is inherently erroneous. The Parliament is no longer the real master. In Great Britain, the Prime Minister is the real, even though penultimate, master and he is subject not so much to the control of Parliament as he is to the pressure of public opinion. It is the

in-built inadequacy of the parliamentary machine to control the administration which has imparted considerable strength to the idea of a parliamentary arm to investigate and redress public grievances. Since the manuscript of the book appears to have been completed in July, 1966 (though the book was published some time in 1967), the authors have refrained from discussing the proposals for the establishment of the office of Parliamentary Commissioner in the United Kingdom, which has now been in existence for about an year and whose working is a matter of deep interest in our own country, where the idea of a somewhat comparable institution has gained an offing.

Judicial control of administrative powers has a distinctly brighter record of achievements to its credit. Where Parliament has proved helpless, the judiciary has spun and devised through laborious evolution a number of bastions and safeguards for the citizen against abuses of administrative powers. Discussing the scope of review, the authors mention the following major grounds: (*a*) Lack of Jurisdiction; (*b*) Jurisdictional Facts; (*c*) Procedural Defects, (*d*) Error of Law on the Fact, (*e*) Abuse of Discretion, and (*f*) Insufficient Evidence. The authors also mention the alternating phenomena of curtailment and extension of judicial review by statutes. In commenting on the methods of review, the authors point out at pp. 235-236 in sheer despair: "The complexities of the subject of judicial review of administrative action are not exhausted merely by a consideration of the extent of review. There is no one comprehensive proceeding for reviewing these acts. The remedies, for no practical reason, are plural; some of them cannot be used if another remedy is available; the lines between them are imprecise and shifting ; the judges employ vague concepts (which they do not define) in marking the boundaries of each remedy: the student will scan the law reports in vain for any sound reasons to justify these complexities, or indeed any explicit judicial recognition of their existence."

The chapter on Public Corporation describes the extent and analyses the nature of the accountability of public corporations. It seems that ministerial responsibility to Parliament is only to the extent of the minister's statutory powers in respect of each of the public corporations, while minister's actual, operative powers with regard to the public corporations are far more extensive than the limited powers conferred by the statute. Over the non-statutory powers exercised and influence wielded by ministers on the administration and policy of public corporations, Parliament has little control. The problem remains largely unresolved; its enlarged manifestations and distortions in our own country have assumed proportions which are sufficient to cause deep concern. By and large experience seems to indicate that public corporations both in India and in Britain, have not been too amenable to constitutionalized parliamentary or other modes of control, although, comparatively, there is a much greater sense of social awareness and public accountability in the public corporation in the United Kingdom.

Both the volumes reviewed here are essentially textbooks in the field of Constitutional and Administrative Law,* and deal largely with

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* *A Casebook of Administrative Law* by Professors Griffith and Street is designed as a companion volume to be used with *Principles of Administrative Law* by the same authors, which is reviewed here. The Casebook includes reports of leading cases, related legislation, extracts from reports of Committees and proceedings of tribunals.

constitutional and legal processes and functions. They will not, however, fail to interest students of public administration who may not be inclined to plunge into these fields and yet cannot remain altogether aloof from them.

—L. M. SINGHVI

GOVERNMENT IN WEST AFRICA; By W. E. F. WARD, London, George Allen & Unwin Ltd., 1967 (Revised), 17/6s, p. 290.

Mr. Ward is a reputed historian and has a number of books, including the History of Ghana, to his credit. His knowledge of the governmental institutions in the countries of West Africa is deep as the present work amply illustrates. He has appropriately chosen to discuss the general principles of government in Part I to bring home to the reader, particularly those who are likely to use it as a text-book in preparing for an examination, the meaning and the significance of these principles. Accordingly, in this part the author has ably analysed the problems faced by representative governments both of the presidential and parliamentary type as also of the federal and unitary type. Although what he says in the book is nothing unique or different from what one finds in similar writings, the lucid and simple way in which the systems of government and electoral devices in modern democracies have been described makes the book particularly useful for the young and lay reader. His treatment of the minority problem and safeguarding their rights through communal representation is candid, and he quite pertinently warns that communal electorates instead of solving their problems only help in perpetuating the minority and racial interests thus making the emergence of a common outlook impossible, a situation which has vitiated the political and social atmosphere in most countries of Africa. What Mr. Ward could have categorically said is that the term 'multi-racial' is an anachronism in the context of Africa where the racial minorities have been encouraged, under the colonial regimes, to view themselves as distinct entities and claim a privileged treatment quite disproportionate to their numbers. His treatment of one-party systems in Africa is balanced. While discussing the merits and demerits of federal versus unitary governments, Mr. Ward could have explained also the psychological reasons for the unpopularity of the federal model among the leaders of new Africa who were naturally suspicious of the colonial powers' "divide and rule" policy.

It is really in Part II that we get the treatment of the constitutional systems and their working in West Africa. Understandably, his treatment of Ghana and Nigeria is fuller in comparison to that of the other British-speaking countries, particularly Gambia and Sierra-Leone. A substantial space is also rightly devoted to the constitutional history leading to independence, since it forms an essential background to the understanding of the governmental institutions and their working. However, Mr. Ward has chosen to be descriptive in his treatment of the working of the constitutions both in Ghana and Nigeria. He is non-committal and has refrained from making any critical appraisal of their working and the difficulties involved. There is a chapter on Liberia equally descriptive and likewise the additions on the French Constitution and that of the Soviet Union. The inclusion of the latter, after the index, seems to be an afterthought for which the only ostensible justification may be the requirements of the Sixth Forum students for whom the book has been primarily written.

— S. N. VARMA

AGRICULTURAL LAND-USE IN PUNJAB: A SPATIAL ANALYSIS: By **GURDEV SINGH GOSAL AND B. S. OJHA**, New Delhi, Indian Institute of Public Administration, 1967, Rs. 15.00, p. 87.

As the authors have stated in the preface, the monograph is the outgrowth of their main work relating to the Socio-Economic Census Atlas of Punjab and "the purpose of this paper is to study the patterns of the existing land use with reference to the changes which have taken place during 1951-61 to provide a basis for future planning of Agricultural Development in the (Punjab) State". The paper is based on a study of 56 Distribution and Ratio maps displaying data collected from the District Revenue offices, etc. The efforts of the authors have been to build a thesis of sorts on a study and analysis of 56 Distribution and Ratio Maps, pertaining to various aspects of land use. The monograph, therefore, becomes meaningful almost entirely in terms of the clarity with which the 56 maps have been drawn up. It is a great pity, therefore, to find that except Map 1, which depicts administrative divisions of Punjab as in 1961, the remaining 56 maps do not exceed the size of 3 5′×5″ (some are really small). The efforts of the authors would have been more successful and meaningful if each of the maps had been of the usual Atlas size, to enable ready appreciation even without a detailed commentary or a "spatial" probe. Most of the maps are extremely crowded and provide little scope to the reader to corelate the legend thereon to the conclusions drawn.

The authors have, within the limitations of short-term study, served at least two purposes, first, the manner in which land has been utilized and is likely to be utilized in the immediate future, and secondly, to make our Agricultural Planners and administrators sensitively aware of the various considerations essential to undertaking even short-term planning for agricultural production and its promotion as an industry. The short-term study has been made from the practical point of view, leading to *ad hoc* conclusions of practical interest but the study not being in depth and not having analysed the problems adequately in the context of the economic, sociological and political factors which are of importance in a changing society has not led to any conclusions which can be valid during the next two decades or more. For planners only a study in depth leading to conclusions which are pointers to the foreseeable future is of value. This remark is not made to detract its value as a useful document for the *ad hoc* understanding of the current situation more particularly by the administrators connected with agricultural production and the officers of the Agriculture Department. The data available has been clearly interpreted and a number of suggestions have been made for the development of agriculture in Punjab. This data, although, already available in different forms and in scattered publications, has been concisely presented, which will be very helpful for the proper appreciation of the short-term trends of development of agriculture in various agroclimatic regions of the erstwhile Punjab. A number of useful points have emerged out of this study. The percentage of the net sown area to total area is about 61 per cent. The areas under current fallow and culturable waste are rather small. Therefore, any appreciable development in agriculture will be possible through increased agricultural productivity per acre and by increasing the cropping intensity and not through the extension in area under cultivation as had

happened, to quit extent, inthe i past. The suggestion in the paper for a land ultilization survey where by the growing demand for land for non-agricultural purposes may be met frcm areas which are marginal with regard to agricultural production needs the urgent attention of the Government. The book, although, published in 1967, represents the analysis of the land use data from 1951-61. Since then a large number of changes have taken place. The State of Punjab has been bifurcated and new States to which some areas have gone will, due to more consideration for their old areas and for other political reasons, accord lesser priorities to the problems of these areas. Recently the concept of increasing agricultural production through increase in agricultural productivity per acre and increase in cropping intensity, has received serious considerations with the planners. Cultivation of High Yielding Varieties has been taken up; and with a view to increasing the cropping intensity, minor irrigation programmes have been given the highest priority in the agricultural planning of the State. With this is connected the urgent problem of mechanization of agricultural production. The question is whether the State should plan for an all-out support for mechanization or for partial mechanization on selective basis; if the latter then what should be the criteria for the selection. For this is needed a study in depth over a longer period, 1947 to 1967, keeping in view the economic, political, sociological, etc., aspects and in this context should be examined: what has impelled the substantial and middle farmers to increasingly mechanize their farming and with what results. Is it due to higher wages of labour in a welfare State, or to lesser output of labour due to political consciousness; or to higher standard of living (including education) among these farmers for which is needed higher income which can only come from 2 or 3 crops per year rather than from extending the area under them which is no longer possible in the presence of land Reforms Legislation, or is it due to the compulsion created by the shortness of the periods of sowing seasons or the sowing season for improved varieties of cotton or rice partially overlapping the harvesting season of wheat; or to higher prices for early arrivals in the market; or to machinery like tractors, tubewells, power thrashers becoming status symbols also. What is the cumulative effect of these and other relevant factors and how far has mechanization led to conspicuous increase in agricultural production. The broad indications given in this book are no doubt useful but due to limitations pointed out above, it remains a partial study. Future planning in agricultural production could be made more meaningful and effective if based on conclusions drawn from a study in depth and I hope that such study will follow.

—R. S. RANDHAWA

CONSTITUTIONAL HISTORY OF INDIA, 1600-1950; By M. V. PYLEE, Bombay, Asia Publishing House, 1967, Rs. 7.50, p. 175.

Dr. Pylee has written some good books on the Indian Constitution. But the book under review does not come up to the expectations raised by them. In it the constitutional development of India has been compressed into 142 pages while the last 27 pages summarize the new Constitution of India. The author has stated in the preface that "it covers the entire ground of constitutional history without attempting at elaborate details". This is the merit as well as the demerit of the book. It makes

the book too sketchy. But it is also a fact as noted by the author himself that many details which had relevance before Independence have lost their significance.

Brevity in dealing with a complicated subject has sometimes led to over-simplification and even inaccuracy in the statement of facts. References have been very rarely cited which detracts from the merit of the book. In it earlier British Acts have been very briefly mentioned while war-period constitutional schemes have been reproduced in verbatim and at great length.

The author has uncritically accepted the British view that the new structure of the provincial executive under the Act of 1919 was designed to meet two conditions, *viz.*, responsibility to popular representatives and the political backwardness and the administrative inexperience of the leaders. But he has not mentioned the most important factor, *viz.*, the British desire to retain power. He has also repeated the traditional view that Ministers were humiliated by members of the Indian Civil Service by their insubordinate and even defiant behaviour. But it is also a fact that some Ministers on their part spared no efforts to humiliate the civil servants.

On pages 26 and 127 the rebellion of 1857 has been described as the Indian Revolution. But this view is open to controversy. In fact, it may not even be regarded as a war of Indian Independence, much less a revolution. On page 38 he says that Hume was the first President of the Congress which is incorrect. On page 71 he quotes James Stuart Mill which also is obviously incorrect. On page 65 he says that the Majority Report of the *Reforms Inquiry Committee* noted the interference of the "Reserved half" of the Government in the "Transferred half" and *vice versa.* But actually summarizing the allegations against the working of the new Constitution contained in the evidence of witnesses the report noted six points, the third being "the impinging of the administration of reserved upon the administration of transferred subjects, and vice-versa". (para 25). On page 69 he says that the Simon Commission was against federation which is not a fact. Actually the Commission made recommendations which aimed at preparing the way for an All India Federation. He also says that the Commission recommended an autocratic executive at the Centre. But the importance of the argument which the Commission advanced against the adoption of parliamentary system of the British type at the Centre is being realized by us everyday now. It remarked: "We do not think, however, that the British parliamentary system with an Executive representing a single part and depending form day to day on the vote of a majority of directly elected representatives, is likely to be the model according to which responsible government at the Centre for India will be evolved. Parliamentary government of this type is not the only form which responsibility may assume. It takes different forms in different places and circumstances, and the British system cannot be transplanted at will and adopted ready-made.

There is a large number of printing mistakes in the book.

On the whole, the author has presented a clear and interesting picture of a dry and dull subject.

—G. P. SRIVASTAVA

THE ECONOMIC DEVELOPMENT OF INDIAN AIR TRANSPORT; By A. W. NAWAB Delhi, National Publishing House, 1967, Rs. 35.00, p. 460.

THE COMPARATIVE EVOLUTION OF WORLD AIR TRANSPORT; By A. W. NAWAB, Delhi, National Publishing House, 1967, Rs. 30.00, p. 236.

The history of the development of Air transport in India over the last three and a half decades should make impressive reading. The qualitative changes which have taken place during the post-War years—and especially the introduction of jet aircraft in international as well as long haul domestic services, coupled with the high degree of sophistication in the operations have resulted in air services developing into major carriers on passenger traffic. Although the air transport by itself does not yield a directly productive output, by stimulating trade and tourism, by speeding up of the flow of private investment across national boundaries and by accelerating the exchange of ideas and technology among nations and societies, it makes a real economic contribution of the benefits which are reaped by the society as a whole.

While there have been treatises on the development of air transport generally, and of the economics of air transport in Europe and other Western countries in particular, very little has been written about the development and evolution of air transport in India or its economic aspects. From their titles the twin publications, may appear to fill a long felt need. To date no one in India has attempted to write an interpretative history of Indian Air Transport at the same time highlighting the vital role that aviation has played and is playing in commerce, travel and communication in India. Unfortunately, however, both the publications by Mr. A. W. Nawab fall short of expectations both in the treatment of the subject and in the presentation of facts. They are useful neither to the general reader, nor to those in the industry. Since no attempt has been made to interpret the facts available, they may not be useful to the student of economics also except for purposes of reference to factual data.

The story of India's air transport can conveniently be divided into three periods. First, the chequered beginnings up to and including the Second World War, the stormy post-War years from 1946 to 1953 when the industry showed the greatest expansion and vitality "while flying headlong into its own ruin" and finally the post nationalization years from August 1953 to the jet age. Mr. Nawab has no doubt divided the text of his book "Economic Development of Indian Air Transport" into three parts—the first part dealing with the story of air transport prior to its nationalization in 1953, the second and third parts dealing with Air-India and the Indian Airlines Corporation respectively. In the first part he has given to the readers in its entirety "the story of an airlines" the brochure published as a souvenir for the employees of the ex-companies, *viz*., Air-India Limited and Air-India International Limited on the eve of their nationalization. The rest of this part is again made up of extracts from various reports. While these extracts are no doubt useful in the absence of much that Mr. Nawab could contribute himself by way of interpretative history of the physical or financial growth of the airlines, they do not lead the reader

anywhere in understanding the development of air transport during the pre-nationalization days, leave alone the economic aspects of such development.

While we can understand the difficulties of the author in obtaining recorded facts relating to the airlines, big and small, which operated during the pre-War and pre-nationalization years, the two subsequent parts of the book relating to Air-India and Indian Airlines Corporation proclaim the futility of the venture. Part II contains copious extracts from the Annual Reports of Air-India without any attempt of interpreting them. Both the economist and the general reader will miss much that will be of interest to them in the growth and performance of Air-India during the post-War years and particularly after nationalization. The position of Air-India as an international operator competing with giant airlines, the rapid technological changes which took place in the post-War years, the introduction of large capacity jets in international services throughout the world resulting in an unprecedented increase in capacity, the sudden increase following the introduction of jets in operating costs which could not be matched by increase in revenue, the acquisition of the jet aircraft by Air-India and its emergence as the first all-jet operator, the manner in which it financed its growth and the main reasons for the profitability maintained by it, all these are interesting aspects of its development which could have never escaped one's attention. A European aviation economist commenting on the performance of Air-India with particular reference to the year 1963-64 had sometime back analysed the reasons for its remarkable results during the earlier years. According to him : "Air-India is now probably one of the fortunate few which are big enough to avoid the diseconomics of small scale and yet are still small enough to avoid the equally disconcerting difficulties of excessively large scale". In his judgment Air-India had a size sufficient to allow full exploitation of its other natural advantages, such as average long haul, and a single aircraft jet.

As to the future there is nothing in the treatise which can whet the interests of the reader. The industry is on the threshold of vast changes. These changes will be of a far greater magnitude than those seen during the late 50's and early 60's. The re-equipment programme on the introduction of Jumbo Jets and the Supersonics may threaten the very existence of the smaller carriers and a review of how India is proposing to meet the challenge should have found a place in a treatise of this nature.

Part III of the book regarding IAC follows the same pattern—extract from annual reports and other reports, even though some of them may not be relevant to the growth or economic development of the airline. There has been a phenomenal growth of Indian Airlines following nationalization and modernization of the fleet. The author has not made any attempt to comment on the fare structure, the contribution made by Indian Airlines to the national exchequer and the need of the airline to augment capacity to meet the growing requirements of tourism.

Turning to the second book "Comparative Evolution of World Air Transport", it covers the development of world's civil aviation, airports of the world, origin of the world commercial aviation and aerodynamics. What such an abstruse subject as aerodynamics and the theory of flight has got to do with the evolution of world air transport

as presented in the book is beyond my ken. Having done this, for reasons best known to him, Mr. Nawab tries his best to explain to the lay reader in simple terms the science of aerodynamics and gets himself hopelessly mixed up in the process leaving the reader more confused than when he started.

His other chapters on world's commercial aviation are really descriptive pieces without any attempt at intelligent interpretation. The portion dealing with the early beginning of commercial aviation in India is in many ways a repetition of what he wrote in his book, which has been reviewed earlier.

While Mr. Nawab has collected an impressive array of facts, he has burried them in a mass of irrelevant verbiage and it becomes extremely difficult even for an aviation expert to sift the wheat from the chaff.

In short, both the books fail as an interpretative history of the evolution of air transport or of economic development of air transport in India. In the preface to both the books he reminds the reader that every word of the books had been written under a most callous situation in which he was denied even the basic necessities which an author is normally entitled. If that be so, he should have waited for an improvement in the condition but even this would not have helped to improve the extremely poor language in which both the books have been written. The price of the books may not also make them attractive.

—K. K. Unni

BOOK NOTES

GOVERNING THE COMMUNE OF VEYRIER: POLITICS IN SWISS LOCAL GOVERNMENT; By George A. Codding, Jr., Boulder, University of Colorado, 1967, pp. xi+98.

Of late there has been a growing interest in urban issues and problems on a comparative basis, as they make valuable contributions to the study of comparative public administration as a whole. With this background the Bureau of Governmental Research of the University of Colorado has published a series of books dealing with historical studies as well as comparative analyses of urban politics and administration.

The book focuses, intentionally, on a small Swiss Local Government for the benefit of the students of comparative government and politics.

Written by a competent Professor who has spent a lot of time in Switzerland and has written several books, this monograph deals with the Commune of Veyrier in Switzerland. It has been divided into six chapters. The first chapter is devoted to a brief discussion of the overall Swiss political system, especially the canton of Geneva, in order to locate the commune of Veyrier politically as well as geographically. The second chapter contains a brief description of Veyrier, both the land and its people, necessary to an understanding of the functions of the system. The third chapter deals with the politics of the commune including a description of the interest groups and the political parties, as well as the socio-political communication network. The fourth and fifth chapters are concerned with the two major organs of commune government, the legislative and the executive. The sixth and concluding chapter provides an overview of the many different tasks involved in administering the commune of Veyrier, including the important problem of financing.

AGRICULTURAL INNOVATIONS IN INDIAN VILLAGES; By Fredrick C. Fliegel, *et. al*, Hyderabad, National Institute of Community Development, 1968, Rs. 12 00, p. 120.

The book "Agricultural Innovations in Indian Villages" is the result of the findings of a project—first of its kind in India—undertaken by a team of Indian and American social scientists under the auspices of the National Institute of Community Development, Hyderabad. The object of the project was to see how Indian Villages have responded to modernization of agricultural practices.

The book consists of 9 chapters as follows: (1) Purpose and Design of the Study, (2) Measurement of Change Programme Success, (3) Development Administration and the Success or Failure of Agricultural Change Programme, (4) Communication and Success or Failure of Agricultural Change Programmes, (5) Village Resources and Success or Failure of Agricultural Change Programme, (6) Village Structure and the

Success or Failure of Agricultural Change Programme, (7) Leadership Characteristics and the Success or Failure of Agricultural Change Programme, (8) Institutional Development and the Success or Failure of Agricultural Change Programme, and (9) Multivariate analysis of Factors Contributing to the Success or Failure of Agricultural Change Programmes.

The analysis made in the book fills the need of scientific research in the laboratory of the agronomist or the plant pathologist to be supplemented by research on human factors that facilitate or inhibit adoption of new ideas and these have been concerned with the human factors involved in the diffusion and adoption of improved agricultural practices in the Indian Villages. With sophisticated statistical analysis an attempt has been made to isolate factors which help the spread of scientific knowledge and practices among our farmers.

The data enumerated in the book can be useful to all who are interested in progress among people in our country as well as in other countries.

HUMAN RESOURCES FOR INDUSTRIAL DEVELOPMENT: SOME ASPECTS OF POLICY AND PLANNING; International Labour Office, Geneva, 1967, p. 237, $2.50.

In 1966, U.N.'s Industrial Development Organization organized an international symposium. For this symposium the International labour Office prepared some papers which have been collected in the present volume. The object of all these papers has been to identify some of the major manpower and social problems encountered by developing countries in the process of industrial development, and to discuss action that needs to be taken both at national and international levels if these problems are to be solved.

The papers have been grouped in two parts: "Manpower for Industry" and "Other Policy Issues". There are four articles in each part.

The problems discussed in the first part include: (*a*) Determination of goals, quantitative and qualitative, to be achieved in the education and training of skilled industrial manpower; (*b*) The development of coherent and efficient systems, including provision of adequate legislative and administrative support, and the establishment of national industrial training organizations, for attaining these goals; (*c*) The special role of industry itself in development of skills; (*d*) Measures to ensure the best possible use of available skilled manpower; and (*e*) The contributions that international action can make to enable the developing countries to formulate and implement effective programmes of training for industrialization.

In the second part, the article on "Social Participation in Industrial Development" stresses the importance of enlisting the co-operation and active participation of different social groups, particularly employers and workers and their organizations, in the processes of industrialization, and discusses the purposes that such participation may serve and the forms that it may take. The paper on "Employment Aspects of Industrialisation" suggests a number of reasons why, unless appropriate measures are taken, less labour may be employed in the industrial sector in developing countries than it would

be economically worthwhile and socially desirable to employ, and discusses various approaches to the problem of providing more productive employment in industry. One of the most important of these approaches is discussed at greater length in the following paper, entitled "Progressive Industrial Technology in Developing Countries". Finally, a paper on wages and industrial development points out that the success of a country's efforts to promote industrial development, as well as the way in which the proceeds of industrial development, are shared, will depend partly upon the level, structure and rates of increase of wages and salaries, and discusses various problems that arise in this connection.

INDIAN STATISTICAL SYSTEM; By J. R. Rao, New Delhi, Indian Institute of Public Administration, 1968, Rs. 5.00, p. 34.

Hardly one would find any work in print on the subject of Indian Statistical System as such. For this reason J. R. Rao's book is a welcome addition to the galaxy of books.

Besides an introduction, this small book contains three chapters. In the first chapter the author has traced the history of the Indian Statistical system which according to him had its roots in the very early years of nineteenth century. Strangely enough the author has managed to measure a period of 150 years in just 10 pages.

To enhance the utility of the small book the author has given a very brief account of statistical system existing in various countries throughout the globe. The countries covered are U.K., France, U.S.A., Japan, Brazil, Italy and Canada. This facilitates the study of the system from a comparative angle.

In the concluding chapter the author has ventured to offer his criticism of the Indian System. This chapter is perhaps the most useful part of the small book because the author has offered some good suggestions for the reorganization of the Indian System.

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EDITORIAL NOTE

SOME years ago a special issue of this Journal concerned itself mainl with Panchayati Raj. It was appropriate at that time as a ne experiment in rural self government and administration was bein made on an extensive scale. This special issue devotes itself to matte urban—as a sort of complement to the earlier issue. The two aspec are not only complementary to each other but together comprise th entire community in action.

Though urbanization has been going on in our country over th decades, it has so far not received the attention it deserves. Here an there, academics and social scientists have attempted studies of some c its facets and latterly even cautioned against its menace, if left to its ow relentless momentum. But the subject has got scant attention so fa from politicians and administrators and has, therefore, not found place for itself in the scheme of things in its own inherent right. Eve its antiquity, if not its disturbing present-day manifestation demands respectful attention. All of us are prone to take our in mediate environment for granted and not until conditions becon utterly intolerable does the average man bestir himself. Yet, every pa sing moment, as these articles go to show, adds to the strain of urba life. Social, physical, economic and emotional tensions continue t accumulate and increase the complexity and discomfort of life in ou towns and cities. Need we wait for the explosion? A re-orientatic of our thinking to adapt ourselves to the changing circumstances ar to meet the new challenges has become imperative. An appreci tive awareness is needed as much in the lay citizen as in the expert ar the administrator. For a great majority of citizens, with their roo in villages, the urbanization process in its modern form is altogeth a new phenomenon. To an administrator trained and immersed traditional rural administration, it presents unfamiliar problems ar issues. At the political level, which inevitably influences policy form lation, the nostalgia for a blissful village society tends to inhibit pragmatic approach to the reality of the developing urban situati

and societal evolution that is inexorably taking place. The articles in this issue draw attention to the more urgent of the many problems and also attempt to offer solutions where possible. What is needed is Pisgah sight, a total perception.

The collection of articles in this issue in a very specialised field which is so vital to public administration at all levels, is an effort on our part to add to the scanty literature available on the subject, and to create interest in the mounting and manifold problems of urbanization and urban development in India. In recent times, there has been a consistent demand for basic literature on urban problems from a number of quarters, *viz.*, academic institutions, practitioners, and international organisations. Standard and authoritative work and even regular and systematic statistical material are not easy to come by in this field. An important reason for this state of affairs lies in the fact that the subject of urban studies is a comparatively new discipline. It involves a multi-disciplinary approach which, in spite of its widely acknowledged merits, is difficult to achieve in practice. It is our hope that these articles might provoke systematic and scientific thinking on these emergent problems and lead to more and more purposeful interdisciplinary cross-fertilization.

We are aware of the short-comings : some facets of the urban problems have not been touched upon in this issue. Limitation of space has prevented us from covering all the variegated aspects of the subject. Yet, most of the cross-section has been exposed herein to scrutiny and study and we feel confident that it would arouse intelligent curiosity among the uninitiated and constructive inquiry among the initiate.

The Editor takes this opportunity to record his sincere thanks to the contributors but for whose labour of love this task would not have been accomplished. He is also thankful to Prof. G. Mukharji, Director of the Institute's Centre for Training and Research in Municipal Administration, for the valuable help rendered by him in bringing out this special issue.

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ECONOMY OF INDIAN CITIES

P. B. Desai

THE modern city of the West is evidently a product of the economic forces released by the industrial revolution. It was manufacturing industry that provided the basis for growth of urban settlement. This happened during the period in which *laissez faire* held the sway both within the national economies and in international relations. The theories that have been propounded to explain this process of city formation clearly indicate that the function of the city was to facilitate the accrual of certain agglomeration economies, which are further classified into economies of scale, economies of location and economies of urbanization. The motive force behind the process was private profit which these economies served to maximize at the points of agglomeration. But as time passed, it became evident that this involved huge social costs in terms of ecological deterioration, perpetrating unhealthy conditions of living for the urban masses.

It was as a reaction to this ecological deterioration that curative measures, such as master planning, slum clearance and improvement, were propounded and were implemented at times with some success. But it is evident that for the most part city planning was a follow-up measure designed to cure the ills perpetrated by *laissez faire* industrialization.

Economic growth has in the West been a continuing process and the next stage ushered in by the transport revolution is characterized by the rise of the metropolis. Here, there has been some deconcentration of the existing and dispersed development of the new industry. Accordingly, the concept of city planning was merged into the one of metropolitan and regional planning.

Thus, when we began our economic development in a systematic manner after the Independence, we had before us the Western experiments of city planning, town and country planning, metropolitan development and regional planning. And these have been advocated

and in some cases also tried, though with little success so far. This lack of success can indeed be attributed to the failure of the national economic planning to provide for spatial planning as an integral part of the programme for economic development. But it is also evident that our failure to appreciate the characteristic features of Indian urbanization, particularly the forces underlying the growth of major metropolitan centres, is at least partly responsible. We have sought to apply in most cases conservative surgery and in a few cases also the principles of metropolitan and regional planning. But all these attempts have had to reckon with the city economies which are characteristically different from those of the cities in West. Prof. Hoslitz attempted a comparison of urban growth between India and the West using the data of 1951 Census. His conclusion was : "Compared with European cities during a corresponding period of economic development, the cities of India show the following economic features : Urban industry is less developed and is characterized by larger number of small scale and cottage type enterprises; the urban labour force, therefore, is made up of a smaller proportion of industrial workers and a larger proportion of persons in miscellaneous usually menial unskilled services; the urban labour market is fractionalised and composed of mutual non-competing groups thus impeding optimum allocation of resources and preventing an upward social mobility and relief in the amount of unemployment."[1]

Prof. Hoslitz discussed the urban sector as a whole. But the position even with respect to our largest metropolitan centres remains desparate. This is evident from the tables given at the end. The first of these tables gives a classification of Indian cities, attempted by Asok Mitra. He has been able to classify only 49 cities, out of a total of 113, as manufacturing centres. But only a few of them can be considered to have specialized as industrial cities. He found that 'the industry function' was highly accentuated, the proportion of non-agricultural workers engaged in industry being more than 50 per cent in the case of 12 cities only. Among them we have only Ahmedabad out of the 7 million-plus cities of India. Eight other cities have been classified under industry; 6 of them specializing in artisan trades and 2 in mining. Of the remaining 56 cities, 47 are functioning as service centres and 9 as trade and transport centres.

Industry thus cannot be said to have acted as a city-forming factor in India. This again is explained by our historical association with the British Crown. Cities did come into being during the same period

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[1] Prof. Hoslitz, "Urbanization—International Comparisons", *India's Urban Future*, Roy Turner (Ed.), pp. 157-181.

as they arose in the U.K. and the West. But the nature of economic forces was considerably different. In fact, it can be argued that the cities in the colonies grew up in order to facilitate the drain of resources to the mother country, the drain which was contributing to its industrial development. Thus centres of trade and transport like Bombay, Calcutta and Madras, grew up as primate cities and their impact on the economy was limited. Industries that even so grew up were for the most part final consumer goods industries, catering for enlarged local markets. Among the major metropolitan centres we have got only the exceptional case of Ahmedabad, which successfully specialized as a textile industry centre. It is here that the economies of scale and localization seem to have attracted private enterprise.

This legacy of our colonial past continues to characterize the million-plus cities as can be seen from Table II. The proportion of industrial workers in the working force of these cities exceeds 50 per cent only in the case of Ahmedabad. In Bombay, the proportion is 41 per cent, while at the other end in Hyderabad it is less than 25 per cent. It is also evident that apart from Ahmedabad and Bombay, the proportion claimed by the omnibus industrial category of "other services" is the highest among the 9 categories shown in the Table for these cities. In Delhi and Hyderabad, other services claimed nearly half the total workers.

Much of the industrial activity even in these large cities cannot be considered modern. In fact, it is evident that a substantial proportion of the working force is employed in marginal, low productive economic activity. This is shown by the classification of workers according to employment status and the distribution of factories and workshops according to size and according to fuel or power used. The classification according to employment status of non-agricultural and non-household industry workers for these cities indicates that a sizable proportion of workers are operating as independent or family workers. The proportion of such workers is nearly 34 per cent in Hyderabad, over 27 per cent in Madras and over 26 per cent in Delhi. Even when we take only the section of workers engaged in manufacturing industry, we find that a sizable number of them operate as single or family workers. Here again, the proportions for Hyderabad, Madras and Delhi are comparatively very high.

The data on fuel or power used and size of employment were collected by the Census Organization as a part of their Housing Census. This was the first such attempt and can be used only to present a broad picture. The total number of factories and workshops enumerated

by the Housing Census ranged from nearly 33,000 in Calcutta to nearly 6,000 in Hyderabad. Bulk of these establishments are reported to be using no power. They are all evidently labour intensive 'manufacturing and service' units. The proportion of establishments not using power is as high as 81 per cent in Madras, 80 per cent in Hyderabad, 72 per cent in Bombay, Calcutta and Bangalore, 62 per cent in Ahmedabad and only 26 per cent, as the smallest, in Delhi. On the other hand, those using electricity formed 53 per cent in Delhi, 29 per cent in Ahmedabad, 28 per cent in Bombay, 27 per cent in Bangalore and Calcutta, 20 per cent in Hyderabad and only 15 per cent in Madras. What explains the labour intensity and also the non-modern character of industrial-production units in the cities is that a great bulk of them are very small in size. The proportion of factories and workshops each with 5 or less workers comes to 84 per cent for Ahmedabad, 82 per cent for Bangalore, 73 per cent for Bombay, 72 per cent for Hyderabad, 59 per cent for Delhi, 55 per cent for Calcutta and 45 per cent for Madras. The larger units with 100 or more workers are few in number. Such large units number 24 in Hyderabad, 30 in Bangalore, 79 in Madras, 84 in Ahmedabad, 113 in Delhi, 285 in Calcutta and 557 in Bombay. It is significant that quite a few of these large units do not use any power at all. The number of large units using no power came to 49 in Bombay and 12 in Calcutta. Nine of the 79 large units in Madras and 6 of the 30 units in Bangalore did not use any power or fuel.

It is interesting further to consider the product mix of the industry in these large cities on the basis of data of the Housing Census. Here again, we have only the distribution of factories and workshops. These are divided into 19 classes in Table VI. First three of these classes represent production of food stuffs, beverages and tobacco products. These three classes account for 16 per cent of the units in Hyderabad, 14 per cent in Ahmedabad and Bombay, 13 per cent in Calcutta, 12 per cent in Madras, 11 per cent in Delhi and 9 per cent in Bangalore. These are followed by five classes of cotton, woollen, silk and jute textiles. The proportion of units engaged in these textile products is as high as 44 per cent in Bangalore, 33 per cent in Madras, 32 per cent in Ahmedabad, 25 per cent in Bombay and Hyderabad, 17 per cent in Calcutta and 9 per cent in Delhi. Among the remaining industries, we have got only six classes representing : rubber, petroleum and coal products; chemiclas; non-metallic minerals; basic metals; machinery and transport equipment;—industries of intermediate character with forward linkages and which, therefore, can be taken to have some city-forming characteristics. Surprisingly, among the seven large cities, the proportion of such units is the highest in Delhi at 45 per cent.

Next, it comes to 32 per cent in Ahmedabad, 31 per cent in Hyderabad 29 per cent in Bombay, 28 per cent in Calcutta, 27 per cent in Madras and 25 per cent in Bangalore. It is also notable that large units with 100 or more workers among these classes are very few in number. In Delhi, for example, only 80 out of a total of 3,560 such large units employed 100 or more workers. On the whole, the product mix of industry in these cities is heavily weighted in favour of essential consumer goods with little forward linkages. A notable forward linkage is between textile mill and the establishments producing garments in Greater Bombay. In Bombay, the number of garment units enumerated came to as high as 4,753.

The data reviewed above are taken from the census sources. It is possible that if we had data on output, productivity, income, etc., the position might appear to be different. But it is possible to argue that the overall impression formed on the basis of census data will remain quite valid. The assessment of Prof. Hoslitz quoted earlier remains unchanged. Our million-plus cities too have acute economic problems. Their income does not appear to yield surpluses that can be spent on programmes of housing and social overheads. It would appear that out of the sources of agglomeration economies, they can boast only of one factor, namely, the size of population. These metropolitan centres are over-populated and under-industrialized. They suffer also from acute shortages of economic overheads.

In this situation, industrial growth which has been programmed under the five-year plans appears to be suffering from spatial maldistribution. This is particularly true of the new private industry whose growth is regulated by the licensing system. Only two of these metropolitan centres, Greater Bombay and Greater Calcutta, are attracting private industry. Presumably, these are the only centres which promise profitable investment in private industry, thanks to whatever agglomeration economics they have been able to build up over the period of their growth.

The question that is pertinent in the light of these under-developed metropolitan economies is how to integrate spatial planning with national planning and what role within spatial planning should settlement or city planning play? There is here a case for basing regional planning on the metropolitan centres with a view to rehabilitating the metropolitan economies through a proper policy of location of new industries. It is time that we realize that without developing or redeveloping the city economy as such, the planning to achieve social and cultural ends will prove to be fruitless.

TABLE I

A Functional Classification of Indian Cities

Functional Type		Sub-Type	Degree of functional diversity or accentuation: Functions highly diversified	Functions moderately diversified	Predominant function accentuated	Predominant function highly accentuated	All
Service :		A. Low industry; moderate trade and transport	6	4	7	4	21
		B. Low trade & transport; moderate industry	8	9	8	1	26
Industry :	Mining	A. Low trade & transport; moderate service	—	—	—	2	2
	Artisan	A. Low trade & transport; moderate service	—	1	1	2	4
		B. Low service; moderate trade and transport	—	1	—	1	2
	Manufacturing	A. Low trade & transport; moderate service	6	13	6	7	32
		B. Low service; moderate trade and transport	1	5	6	5	17
Trade & Transport :	Trading	A. Low service; moderate industry	4	—	—	—	4
		B. Low industry; moderate service	1	1	—	—	2
	Transport	A. Low service; moderate industry	1	—	—	1	2
		B. Low industry; moderate service	—	—	1	—	1
All			27	34	29	23	113

TABLE II

Percentage Distribution of Workers According to Industry, 1961

	Greater Bombay	*Calcutta*	*Delhi*	*Madras*	*Ahmedabad*	*Hyderabad*	*Bangalore*
I	0·3	—	0·7	—	0·3	0 9	5·2
II	0·1	—	0·1	—	0·2	1·3	1·3
III	1·5	0·3	0·7	1·4	0·3	1·1	1·3
IV	1·4	0 7	1·7	2·5	3·1	4·2	4·4
V	39·4	25·2	20·8	24·5	49·8	15·3	30·2
V+V	40·8	25·9	22·5	27·0	52·9	19·7	34·6
VI	2·7	3·2	4·4	4·3	2·7	3·5	5·5
VII	18·0	23·9	19·3	19·1	15·7	17·4	12·6
VIII	11·2	11·7	6·3	11·8	5·8	10·0	4·9
X	25·2	35·0	46·0	36·4	22·1	46·1	34·6

—Cultivators; *II*—Agricultural labour; *III*—Forestry, Plantations, Mining, Quarrying etc.; *V*—Household Industry; *V*—Non-household Industry; *VI*—Construction; *VII*—Trade nd Commerce; *VIII*—Transport, Storage and Communications; *IX*—Other services.

TABLE III

Percentage Distribution of Non-agricultural and Non-household Industry Workers (Census Classes V, VI, VII, VIII and IX) According Employment Status—1961

	Bombay	*Calcutta*	*Delhi*	*Madras*	*Ahmeda-bad*	*Hyder-abad*	*Banga-lore*
All Workers :							
Employer	5·8	5·2	7·1	4·8	7·3	3·5	4·2
Employee	77·4	73·0	66·5	68·1	73·6	62·6	71·9
Single worker	14·6	19·1	23·7	26·4	15·5	28·3	20·5
Family worker	2·2	2·7	2·7	0·7	3·6	5·6	3·4
Manufacturing V :							
Employer	4·1	4·7	7·9	3·7	3·0	6·2	2·7
Employee	88·5	80·3	68·0	76·9	90·1	65·8	84·1
Single worker	6·4	12·8	21·4	18·9	5·0	21·6	11·2
Family worker	1·0	2·2	2·7	0·5	1·9	6·4	2·0

TABLE IV

Distribution of Factories and Workshops According to Fuel or Power Used

	Greater Bombay	*Calcutta*	*Delhi*	*Madras*	*Ahmeda-bad*	*Hydera-bad*	*Banga-lore*
Electricity	7,208	8,892	4,205	1,651	2,195	1,114	1,996
Liquid fuel,	16	48	222	32	24	28	46
Coal, wood, etc.	—	146	1,206	287	626	1	81
Others	—	276	211	64	2	—	1
No power	18,799	23,575	2,089	8,840	4,724	4,528	5,400
Total	26,023	32,937	7,933	10,874	7,571	5,671	7,524

TABLE V

Distribution of Factories and Workshops According to Size of Employment

No of persons	*Greater Bombay*	*Calcutta*	*Delhi*	*Madras*	*Ahmed-abad*	*Hyder-abad*	*Banga-lore*
1	8,396	2,905	826	1,325	1,933	855	2,255
2—5	10,540	15,161	3,844	3,593	4,493	3,801	3,897
6—9	3,163	4,401	1,508	774	547	641	740
10—19	1,848	2,693	896	528	348	225	364
20—49	1,086	976	567	277	148	95	189
50—99	433	351	179	87	18	30	49
100+	557	285	113	79	84	24	30
N.A.	—	6,165	—	4,211	—	—	—
Total	26,023	32,937	7,933	10,874	7,571	5,671	7,524

TABLE VI

Distribution of Factories and Workshops According to Industry, 1961

Code	Industry	Bombay		Calcutta		Delhi		Madras		Ahmedabad		Hyderabad		Bangalore	
		100+	All	100+	All	100+	All	100+	All	100+	All	100+	All	100+	All
20.	Foodstuffs	15	3,036	15	2,991	6	746	6	849	-	957	1	796	—	506
21.	Beverages	3	120	4	114	1	102	—	195	—	37	—	99	1	116
22.	Tobacco Products	4	534	3	1,043	—	8	3	270	-	55	2	33	1	30
23.	Cotton Textiles	114	972	1	330	2	214	—	594	66	318	2	80	5	834
24.	Jute Textiles		14	4	21	—	4	—	—	-	2	-	—	—	9
25.	Woollen Textiles	5	9	—	97	—	14	—	—	—	—	—	—	—	9
26.	Silk Textiles	35	169	—	5	2	15	—	9	1	4	—	2	3	657
27.	Miscellaneous Textiles	8	5,249	3	5,068	3	484	—	2,973	2	2,061	—	1,352	1	1,811
28.	Wood and Wooden Products	20	1,789	14	2,898	—	495	—	412	—	337	—	320	—	319
29.	Paper & Paper Products	2	252	3	425	—	116	—	55	—	22	—	22	—	14
30.	Printing and Publishing	24	1,134	29	2,431	5	847	10	645	3	228	2	249	2	326
31.	Leather and Leather Products	4	1,320	1	2,166	2	367	1	229	—	289	—	289	—	150
32.	Rubber, Petroleum and Coal Products	16	189	16	256	—	50	—	74	—	35	—	45	—	34
33.	Chemicals and Chemical Products	58	1,048	21	1,142	9	424	4	189	—	131	3	110	3	272
34-35.	Non-metallic Mineral, Stone, Earthern Products	28	584	13	849	4	277	2	116	1	58	2	112	2	48
36.	Basic Metals and their Products	93	3,590	53	3,190	41	1,580	15	1,229	1	453	1	372	2	483
37.	Machinery (non-transport)	54	834	45	2,075	19	547	10	131	7	828	2	93	3	164
38.	Transport Equipment	30	1,305	32	1,620	7	682	18	1,233	3	914	7	1,000	6	890
39.	Miscellaneous Manufactures	44	3,875	28	6,216	12	960	9	1,671	—	833	1	697	1	847
	Total	557	26,023	285	32,937	113	7,932	79	10,874	84	7,562	24	5,671	30	7,519

Sources: Table I—Asok Mitra, *A Functional Classification of India's Town* Part II (Mimeographed).
Table II and III—*Census of India* 1961, Vol. I, India Part IIB(i) General and Economic Tables.
Table IV, V, VI—*Census of India* 1961, Vol. I, India Part IV(B) Housing and Establishment Tables. Art. 9. p.141.

URBAN CHARACTERISTICS OF TOWNS IN INDIA
A STATISTICAL STUDY

Ashish Bose

THE object of this paper is to ascertain how far each of the 2,700 towns and cities of India satisfies the three eligibility tests laid down in the 1961 census.

Prior to the 1961 census, the definition of 'town' was not uniformly followed in all the states of India and there was considerable scope for the use of discretionary powers on the part of the State Census Superintendents. Apart from the usual test of 5,000 population, the classification of a place into urban or rural was based on a subjective assessment by Census Superintendents of the presence of 'urban characteristics'. However, the common feature of the definition of towns ever since the census of 1891 has been the automatic classification of all places which are municipalities as towns. We shall, therefore, also examine in this paper how far the municipalities fulfil the three eligibility tests adopted in the 1961 census.

We quote the following definition of town :

"To qualify for an urban area, a place should first be either a municipal corporation or a municipal area or under a town committee or a notified area committee or cantonment board. In the second place, each census has adopted a number of census towns which do not enjoy any statutory label of administration. This has been considered desirable in order to obtain a truer measure of urbanization as it is usual for an administrative label to fall somewhere behind actual achievement. These census towns were in 1961 determined on the basis of a number of empirical tests :

(*a*) a density of not less than 1,000 per square mile;

(*b*) a population of 5,000;

(*c*) three-fourths of the occupations of the working population should be outside of agriculture; and

(*d*) the place should have, according to the Superintendent of the State, a few pronounced urban characteristics and amenities, the definition of which, although leaving room for vagueness and discretion, yet meant to cover newly-founded industrial areas, large housing settlements, or places of tourist importance which have been recently served with all civic amenities"[1]

In our analysis, we shall leave out item (*d*) which cannot be statistically studied and, in any case, its impact was bound to be limited in the 1961 Census. Thus, we are left with three attributes : (*a*), (*b*) and (*c*). We shall use the small letters *a*, *b* and *c* to denote the absence of these attributes. In other words, if *A* stands for a density of 1,000 or more persons per square mile, *a* will stand for a density of less than 1,000 persons per square mile, and so on.

On the basis of the association of these three attributes, we get the following eight possible categories : *ABC*, *AbC*, *ABc*, *Abc*, *aBC*, *abC*, *aBc*, and *abc*. In addition, we have a small category of unclassified towns for which complete data are not available.

A town belonging to the *ABC* category satisfies all the three eligibility tests. That is to say, it has a density of more than 1,000 persons per square mile; a population of more than 5,000 and it has more than 75 per cent of the working population engaged in non-agricultural activities. Conversely, a town belonging to *abc* category will denote that it does not satisfy any of the three eligibility tests.

In Table 1, we give the distribution of the total number of towns in India in 1961 according to these 8 categories just described.

It will be seen that out of 2,700 towns in India, 1,610 towns (*i.e.* 60 per cent of the total number of towns) satisfy all the three eligibility tests. There are wide inter-state variations in regard to these three tests as will be seen from Table 2.

It will be seen that the percentage of towns satisfying all the three eligibility tests varies from 21 in Jammu & Kashmir to 86 in Kerala, Uttar Pradesh and West Bengal.

We shall now pass on to a consideration of the civic status of each of the 2,700 towns in India as of 1961. This is given in Table 3.

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[1] *Census of India* 1961, Vol I. Part II-A(1), p. 51.

TABLE 1

Distribution of Towns in India According to Three Eligibility Tests

Serial No.	*Category**	*No. of towns*	*Per cent of total*
1.	*ABC*	1,610	59·6
2.	*AbC*	130	4·8
3.	*ABc*	595	22·1
4.	*Abc*	72	2·7
5.	*aBC*	40	1·5
6.	*abC*	26	1·0
7.	*aBc*	155	5·7
8.	*abc*	28	1·0
9.	Unclassified	44	1·6
	Total :	2,700	100·0

**ABC*—Density over 1,000, population over 5,000 and over 75 per cent of workers in non-agriculture.

AbC—Density over 1,000, population below 5,000 and over 75 per cent of workers in non-agriculture.

ABc—Density over 1,000, population over 5,000 and less than 75 per cent of workers in non-agriculture.

Abc—Density over 1,000, population below 5,000 and less than 75 per cent of workers in non-agriculture.

aBC—Density less than 1,000, population over 5,000 and over 75 per cent of workers in non-agriculture.

abC—Density less than 1,000, population less than 5,000 and more than 75 per cent of workers in non-agriculture.

aBc—Density less than 1,000, population over 5,000 and less than 75 per cent of workers in non-agriculture.

abc—Density less than 1,000, population less than 5,000 and less than 75 per cent of workers in non-agriculture.

TABLE 2

Per cent of Towns in Each State Which Satisfy All the Three Eligibility Tests

Andhra Pradesh	40
Assam	80
Bihar	69
Gujarat	47
Jammu & Kashmir	21
Kerala	86
Madhya Pradesh	68
Madras	56
Maharashtra	45
Mysore	45
Orissa	71
Punjab	62
Rajasthan	41
Uttar Pradesh	86
West Bengal	86
INDIA	60

TABLE 3

Distribution of Towns by Civic Status

Civic Status	*Total No. of Towns*	*Per cent of Total*
Municipal Corporation	20	0·74
Municipality Municipal Board Municipal Committee City Municipality Town Municipality Municipal Town Committee	1,544	57·19
Town Committee Town Board Town Area Town Area Committee	144	5·33
Notified Area Notified Area Committee Notified Area Council	116	4 30
Cantonment Cantonment Board	56	2·07
Small Town Committee	4	0·15
Sanitary Board	3	0·11
Station Committee Union Committee	2	0·07
Panchayat Town Panchayat Village Panchayat Gram Panchayat	445	16·48
Non-Municipal Non-Panchayat Non-Notified Area	177	6 56
Township	2	0·07
No Civic Status	187	6 93
Total	2,700	100·00

It will be seen from this table that 70 per cent of towns have some form of municipal status while 30 per cent do not have such status.

Now, we may consider the following question : How many of these municipalities satisfy all the three eligibility tests and how many do not? Similarly, we may ask how many of the non-municipal towns satisfy the three eligibility tests and how many do not? To answer these questions, we have to do an analysis of the association of 4 attributes, namely, A, B, C and M (municipal status) and for the negative attributes we have to consider a, b, c and m. This means a

total of 16 categories. In addition, we have two small categories of unclassified *M* and unclassified *m* for which complete data are not available in the census. In Table 4, we give the details for all these 18 categories.

TABLE 4

Distribution of Towns by Three Eligibility Tests and Civic Status

Serial No.	*Category**	*No. of Towns*	*Per cent of total*
1.	*ABCM*	1,165	43·15
2.	*AbCM*	96	3·56
3.	*ABcM*	379	14·04
4.	*AbcM*	64	2·37
5.	*aBCM*	22	0·81
6.	*abCM*	19	0·70
7.	*aBcM*	94	3·48
8.	*abcM*	18	0·67
9.	*ABCm*	445	16·48
10.	*AbCm*	34	1·26
11.	*ABcm*	216	8·00
12.	*Abcm*	8	0·30
13.	*aBCm*	18	0·67
14.	*abCm*	7	0·26
15.	*aBcm*	61	2·26
16.	*abcm*	10	0·37
17.	Unclassified *M*	32	1·18
18.	Unclassified *m*	12	·044
	Total	2,700	100·00

**M*=municipal town.
m· non-municipal town.
For other notations please see Table 1.

This table shows that 43 per cent of the towns in India enjoy municipal status and also satisfy all the three eligibility tests. In this sense, we may say that 43 per cent of the towns in India are truly urban. The distribution of these towns according to the population size-class is given in Table 5.

TABLE 5

Distribution of ABCM Towns into Six Urban Classes

Urban Classes	*Number of ABCM towns*	*Total No. of of towns*	*Per cent of ABCM towns to Total*
I 100,000 and over	98	107	91·6
II 50,000—99,999	129	139	92·8
III 20,000—49,999	362	518	69·9
IV 10,000—19,999	333	820	40·6
V 5,000—9,999	243	848	28·7
VI Below 5,000	—	268	—
Total	1,165	2,700	43·2

It will be seen that roughly 92 per cent of the towns with population of 50,000 and over (*i.e.* Class I & II) belong to the *ABCM* category. That is to say, they fulfil all the three eligibility tests and also enjoy municipal status.

In Table 6, we give the state-wise distribution of *ABCM* towns. It will be seen that the percentage of such towns varies from 19 in Madras to 84 in Uttar Pradesh.

TABLE 6

Per cent of Total Towns in Each State Which Belong to ABCM Category

State	*Number of ABCM towns*	*Total Number of towns*	*Per cent of total*
Andhra Pradesh	60	223	26·9
Assam	35	60	58·3
Bihar	64	153	41·8
Gujarat	68	181	37·6
Jammu & Kashmir	9	43	20·9
Kerala	27	92	29·4
Madhya Pradesh	117	219	53·4
Madras	65	339	19·2
Maharashtra	92	266	34·6
Mysore	83	231	35·9
Orissa	41	62	66·1
Punjab	116	189	61·4
Rajasthan	60	145	41·4
Uttar Pradesh	224	267	83·9
West Bengal	83	184	45·1

In this connection, it must be mentioned that the fact that there is no uniform municipal law applicable to all the states of India introduces an element of statistical impurity in the comparability of municipal status of towns in different States. As the Census Commissioner of 1961 points out "in the absence of a central municipal law these have always meant different things at different places so that a municipal town or a town committee in State A has had different standards from what obtained in State *B*, thus eluding comparability of all fours."[2] Thus, even though three objective eligibility tests are applied to places which are not municipalities and, therefore, do not automatically qualify to be towns, the fact that 70 per cent of the towns have municipal status shows the somewhat limited role of the three tests in ensuring a purely statistical classification of towns. And here lies the real weakness of the definition of town adopted in the Indian census right from 1891 to 1961.

[2] Census of India, *op. cit.*, p. 51.

A note of caution in interpreting these results is due here. Though we have said that *ABCM* towns are towns which satisfy all the three tests and have also municipal status and in a sense, are truly urban, the fact remains that there are several instances of new townships which are truly urban but they do not have any civic status and are, therefore, not to be included in the *ABCM* category. West Bengal is an example of the point we wish to emphasize. In West Bengal, there are large number of towns which satisfy the three eligibility tests but do not enjoy any civic status. For example, Burnpur, Durgapur Steel Project Area, Durgapore Coake Oven Plant Area, etc., which are highly modern townships are classified as census towns in 1961 without any civic status, whereas in Uttar Pradesh where there are not many such new townships, the *ABCM* towns constitute 84 per cent of the total number of towns. This is because in most of the towns, the density is over 1,000 persons; the population is over 5,000 and over 75 per cent of the workers are dependent on non-agricultural activities. But these attributes are really a function of population and not so much an index of urban characteristics. And the fact that these towns have municipal status again does not guarantee that these are truly urban areas.

Thus, in the last analysis, it is really difficult to say what is truly urban in the Indian context and what is not. In terms of the three tests it will be clear that density would depend a great deal on geographical conditions. There are, however, cases where an arbitrary delimitation of municipal area gives very unrealistic figures for the density of population. It may also be mentioned that there are several rural tracts, especially in Kerala and West Bengal, where the rural density is more than 1,000 persons per square mile.

Turning to the second eligibility test, namely, population of 5,000 and over, we find that this again is not a particularly sensitive index of urbanization. With the growth of population at a rapid rate, the number of places where the population exceeds 5,000 is also increasing rapidly. According to the 1961 census in India, there are over 4,000 villages where the population exceeds 5,000. The third test, namely, 75 per cent and over of the working force dependent on non-agricultural activities, is in fact, the most sensitive index of urbanization in the sense that it attempts a functional classification of places. We may mention here that in spite of the application of this test, according to the 1961 census, there were about 600 'agricultural towns' where this test obviously was not applicable though the other two tests were applicable. There were also another 155 towns where the population was over 5,000 but the density was below 1,000

and less than 75 per cent of the workers were engaged in non-agricultural activities. This again highlights the role of agriculture even in the urban areas under the present conditions of industrialization.

To sum up, the application of the three empirical tests for the classification of places which are not automatically listed as towns in view of their municipal status, has certainly imparted uniformity and rigour to the classification of places into villages and towns in the 1961 census. In fact, the rigorous definition of 'urban' adopted in the 1961 Census has meant the deletion of 803 towns of 1951 from the list of towns in 1961. But the whole issue of classifying towns on the basis of the application of purely objective statistical criteria has yet to be evolved in the census. As we have seen, the first part of the definition of towns has remained the same over the census decades, that is to say, municipalities, corporations, cantonments, etc., are by definition towns. Unless clear and objective criteria are also adopted for the classification of places as municipalities and these are uniformly followed in all the States of India, it will not be possible to eliminate the statistical impurities inherent in the definition of town, even if we consider the rigorous definition adopted in the 1961 census.

This, of course, raises wider questions. Can administrative expediency be totally sacrificed for the sake of statistical purity? Because the census is primarily an administrative affair and it must meet requirements of administrators. The procedure adopted so far in the classification of towns is not *first* to apply the three tests to all places and then determine whether or not each place is a village or a town but to make a preliminary list of villages and towns and in the light of the first results of the census delete or add to this list of towns and villages. In fact, there were several problems in the application of the three uniform tests prescribed by the Census Commissioner of 1961 as would be evident from the 1961 census reports of the different States of India. Our analysis reveals that even these three tests were not very rigidly applied in every State of India. Some State Census reports have mentioned that the original idea of the Census Commissioner was to work out the proportion of non-agricultural workers in the *adult-male* working force. But this would have involved an analysis of the age-distribution of the working population. Such post-census analysis cannot obviously be undertaken in a pre-census listing of towns. There are no doubt genuine difficulties in the classification of towns from the purely administrative point of view. And it may not be possible to make any radical departure in the next census from the definition of town adopted in the 1961 Census but if

relevant data are presented for each town and village it will be possible for any statistician to apply the eligibility tests and arrive at his own list of towns defined in a purely statistical manner. The exercise we have done in this paper is somewhat on these lines and, as we have already pointed out, our analysis shows that only 60 per cent of the census towns of 1961 satisfy *all* the three eligibility tests. And if we consider the municipal status along with the three eligibility tests, only 43 per cent of the towns satisfy all the four tests. To that extent, the urban population of India would be much less and the proportion of urban to the total would also be likewise much smaller than that indicated by the census figure.

"The three-fourths of humanity who live in underdeveloped countries are still in the early stages of an urbanization that promises to be more rapid than that which occurred earlier in the areas of northwest European culture."

—KINGSLEY DAVIS

CITIES OF OUR MAKING

Bijit Ghosh

SPANNING over 5000 years, the metabolism of the Indian city, ranging from a small settlement to a megalopolis, reflects a tremendous change in man's effort to shape the environment for his living. This metabolism, in the time scale, bears the imprint of the cultural pattern, socio-economic bases, and religious and political orders in the context of a value system. At any particular period, the value system set the pattern of the standard of living and shaped the design for living and, therefore, of a settlement.

Viewed in this context, the city, as it exists today, is not just a picture of the present situation; it is, in fact, a link between a city of antiquity with its success and failure and a city for posterity with its hope and aspiration. The prospect of our cities can therefore be largely determined by examining the value system of each period and its impact on city-metabolism.

A Living Environment

For any design for living, man's relation to environment is of primary importance. He constantly relates a value system to the environment he shapes and measures it accordingly for the success of his achievements. The change in environment from a simple, homogeneous and harmonious phase to a complex, heterogeneous one makes him aware of a total environment with not only its physical content but also its cultural, socio-economic, religious and political contents. He realizes that his value system, and correspondingly his standard of living, should be interpreted periodically if he is not to be doomed to stagnation. He also realizes that the shaping of physical environment is important as it is the base of all other environments.

A design for living and accordingly the design of settlement is therefore motivated by him with these perceptions. A living environment, for him, should not only meet his basic needs but provide a framework for all the forces and factors which shape the environment and

determine the form and pattern of a settlement—village, town, city, metropolis and megalopolis.

Urban Implosion

A city is as old as civilization. From the dawn of civilization, the human life swung between two poles,—movement and settlement. From the beginning of a city, the polarization had set into space two diametrically opposite forces leading to an urban implosion; the germ of the city was nodality. Even today, this polarization is apparent from the role of a city sociologically as the place of living for the community, economically as the centre of many diverse activities and physically as the nucleus of concentration.

The first evidence of an urban implosion was a paleolithic cave—the first glimpse of an 'architectural' walled enclosure. The paleolithic cave brought in its wake many other venerable shrines that embodied sacred properties and powers and drew men from afar into their precincts,—great stones, sacred groves, monumental trees and holy wells, etc. While these elemental properties, closely tied to natural features, were not in themselves sufficient to support a city, they constituted the larger part of the nucleus that originally dominated the historic city.

To be sure of a living, paleolithic man needed a wide range and a great freedom of movement. Hunting was his main occupation; some day he feasted while some day he starved but he must live from day to day, keeping to small groups,—not heavily impeded by possessions and tied to a fixed habitation. Soon he got tired of this insecurity for sustenance. A woman tied to her children could no longer follow him in his wild chase; for her, it became necessary to slow down. Propagation and transplanting brought about an agricultural revolution and the neolithic man learnt how to store food for lean days in a container and live with his family in a home.

This homebound territoriality of man soon demanded togetherness for the community of families for many common causes. Agriculture being the main economic base, community participation became necessary to reclaim land, drain swamps, facilitate irrigation and supply drinking water. For this togetherness, families of men had to weld into village communities, thereby sowing the seed of urban implosion. While the villages came up wherever there were possibilities of rudimentary farming, the city emerged as soon as a bigger settlement could take root bearing the product of an

enormous mobilization of vitality and authority and confined, to begin with, to the favoured regions of river valleys.

The city was a product of a paleo-neolithic community having two opposing forces,—one outward with characteristics of decentralized activities, and the other homebound with those of centralized activities. It resulted in an enormous expansion of human activities in many directions and facilitated the mobilization of all kinds of resources, a command over long distance transportation and intensification of communication.

It became apparent that only neolithic togetherness was not enough. A measure of active community participation was also necessary. A group-leader became first a commander and then the king, rallying loyal citizens to obey him. The paleolithic trait in him led a king not to remain content with the assured food supply as produced by the community under his command but also to loot and plunder the neighbouring areas and thereby multiply his resources in an easy and convenient manner. This gave rise to kingdom and a simple class structure of community in a city,—soldiers and cultivators. When the resources, thus gained by force, became surplus, trading in articles which were produced in his kingdom with the neighbouring kingdoms became necessary for a king, using the river for mainly inland transportation. So the traders came to live in a city.

As the king controlled the annual agricultural surplus, he exercised the powers of life and death over his subjects. Those whom he favoured became his retainers. This artificial creation of scarcity in the midst of increasing natural abundance became the economy of civilized exploitation and determined the relation between the ruler and the ruled. A great secrecy prevailed and the king with his retainers sought seclusion, first to share the booty of his loot and for this act he constantly dreaded outside attacks. He built first a wall, then a fort and within it a palace, to feel secure. Soon this enclosure assumed a tremendous significance. All eyes turned skyward to recognize the power of the supreme person, the king. The fort expanded in scale, towering high, to express the ego of the supreme person. This citadel soon became the core of a city to give a concrete shape to the urban implosion. In bringing about this change, religion played an effective role. Without the help of the rising priestly caste—the Brahmins, the hunting chieftain, a kshatriya, could never have achieved supreme power and authority. There were again the questions of law and order. Thus, both autocratic and religious powers achieved jointly on a scale never conceivable before what brute coercion could not

accomplish. Often the authoritative and temporal powers vested in one person, the king, who was both *Devapal* and *Dharmapal*. A temple, or mosque or church, therefore, dominates a number of Indian cities.

Manasara

In describing the evolution of Indian cities, it is essential to make a reference to Mansara whose treatise on city planning still inspires the city planners and builders. According to him Aryavarta was essentially a national concept and it referred mostly to the river valleys of the Indus and the Ganges. The necessity of trading gave rise to *pattana*, that of defence to *Durga* and *Rajdhani*, education to university towns and industry and commerce to *Nagara*. Sali Brihi, the longest variety of paddy (¼″) , was the module and various units of measurement were Hasta (1′-6″), Danda (6′-0″), Raja Danda (12′-0″), and Brahma Danda (24′-0). The prerequisites of planning were reconnaissance (*Dek pareekha*), reclamation (*Bhumi Vidhana*), Zoning (*Pada Vinyasa*), city planning (*Nagara Vinyasa*), architecture of dwellings (*Griha Vinyasa*), public buildings (*Mandapa Vidhana*), gates (*Gopura Vidhana*) and royal place (*Puri Vidhana*). A hierarchial system of roads were suggested and these were *Desa Marg*, *Sakba Marg*, *Upa rath* and *Ghamta path*. The pattern of a city was conceived by him as *Dandaka*, *Sarvotabhadra*, *Nadyavarta*, *Padmaka*, *Swastika*, *Prastara*, *Karnuka* and *Chaturmukha*. What is known today as a lineal town is essentially *Dandaka*, and grid-iron and radial towns resemble *Nandyavarta* and *Padmaka* respectively.

Towns of River Valleys

Of all the known references of the ancient towns in India, Ayodhya and Indraprastha have been described respectively in the Ramayana and the Mahabharta. In these two epics, we also find references to Mithila, Kurukshetra, Dwarka, Mathura and Hastinapur. The ancient cities in India were located in the river valleys, most important ones being in the Indo-Gangetic Valley. In these valley regions, the transformation of village into city was not merely a change in size and scale, it reflected a change in the underlying purposes of human habitation.

We find, therefore, cities with distinct functions. Besides being the centre of an authoritative power, these cities prospered mostly by being located along the bank of a river and, some by achieving religious and educational importance, such as Mohenjodaro, Taxila,

Harappa, Lothal, Ujjain, Kalibanga, Sahashradhara, Vanarasi, Nalanda, Rajgir, Mahabalipuram, Madurai, and Srirangam. The caste system dictated the social structure and it is evidenced today even, in Srirangam, built in the sixth century A.D. in the Cauvery delta. Walled enclosures were provided for the Brahmins, Kshatriyas, Vaishyas and Sudras separately. The temple, mostly built on a podium formed the citadel and the core of the city and it dominated the city scene and the regional landscape. The foreground to the temple was planned as a square for the assembly of the people for worship and for many recreational, ceremonial, cultural, shopping and marketing activities. The growth of these cities were mostly organic. A structure of building with rooms facing the courtyards and not to the streets was systematically followed for reasons of security, privacy and protection against enemy attacks and climatic rigours.

A King's City

A king's city came into existence mainly due to paleolithic-neolithic union which, in turn, gave rise to feudalism The form and pattern of these cities were different from those in the river vallyes.

Ruling over a small territory or a big kingdom, the king set up essentially a feudal order, introducing a class society. The retainers, the priestly class, and the sub-groups of various castes together with the diversity of occupational structure changed the simple and harmonious social structure into a complex and heterogeneous one. While the people were subservient to the king, the buildings were subservient to the fort. With its massive walls the fort towered high. Its size and scale were accentuated for most of the medieval Hindu, Pathan and Moghul cities by building it on high ground or on a mountain top. The pattern of roads, instead of being simple grid-iron, became radial as these were built to lead to the fort. A small city with high density became necessary not only for relating the rest of the city to the fort but also for the protection afforded to the people by the fort. in the sequence of buildings, the fort would come first and the city next. In such construction a sequence of wall within wall, enclosure within enclosure, was emphasized, the structure remaining essentially cellular. The squares of various types—palace square, market square, temple square, domestic square—and the courtyard within a building were all linked by the corridors meant for movement. Specific areas were reserved as Mohallas for various groups and sub-groups. While close building was the most dominant element in the medieval Hindu as well as in the Pathan cities, the Moghuls turned their living more to space and achieved a planning unique in many ways. Moghul cities

were mostly sited in the plains by the side of a river as they were not so afraid of being attacked. Their cities were not always an organic growth. In many cases a measure of planned development was achieved by pre-planning at least of a complex of buildings, if not the entire city. Most significant examples of medieval Hindu and Pathan towns are Jaisalmer, Chittore, Mandu, Daulatabad, and Tuglakabad, while the typical Moghul towns are Agra, Fatehpur Sikri, and Shajahanabad.

Imperial Cities

In India the tradition of architecture is glorious. It is noted for the richness achieved by continuity and through synthesis. After the Moghul period, only a few cities were built as there had never been a long period of political stability to enable building operation on a large scale, but these were typical of the architecture of that period. The imperial cities built by the British in the nineteenth and twentieth centuries had little resemblance with either typically Indian architecture or city planning. During British rule, the cities were built for the colonial rulers *e.g.*, capitals like New Delhi, for expanding the empire by military power *e.g.*, Cantonments like Meerut, Agra and Bangalore, for transport nodes like Mughal Sarai, Kharagpur, etc., and for exploiting the natural resources for economic gain *e.g.*, commercial and industrial cities like Calcutta, Bombay and Madras. Except for a few cantonments and transport nodes the only planned city was New Delhi.

The planning of New Delhi by Sir Edwyn Lutyens in 1911-1932 was greatly influenced by the design approach of baroque in France. Essentially the city was divided into two parts, the north for the settlement of Indians and junior British Officers and the south for the senior officers. For this division, the Central Vista formed the main axis. Almost the entire theme of colonial rule was expressed by this axis. The Vice-regal House, together with the North and the South Blocks, commanded, like an autocrat with his two fists, the view of India Gate or symbolically India. While, on one side these buildings were so designed as to emphasize a building monumentality, the other side of the axis was designed for a landscape monumentality with the India Gate set in space like a sculpture. Besides the Vice-regal House and the India Gate, another important focus, planned to be a shopping centre, was Connaught Place; and these three centres, forming a triangle, dictated the entire pattern of the city,—the hexagon with radials leading to a nodal front. The cellular, introvert, space bound building, typical of Indian town planning, was replaced by an extrovert grouping of buildings arranged along a street with the plot and boundary

wall dividing each building from another. Another important aspect of the planning of New Delhi is its landscape. Whereas the Moghul's Shajahanabad was built mostly of buildings and very few trees, New Delhi was planned as if to be a city with a forest of trees and very few buildings.

Urban Explosion

The making of our cities, up to the Moghul period, reflected the inner urges of our people. The concepts determining the form and pattern of these cities, changed from time to time but remained related to total design all the same. The size of these cities was essentially limited to the boundaries of the city wall. However different may have been the design approach of colonial cities, their sizes were restricted and their development controlled.

After Independence, as every effort was made to utilise the resources of the community for socio-economic development of the country, the cities were constantly subjected to a process of gigantism leading to urban explosion. The mass migration of the people, in search not only of job opportunities but also of social, cultural, institutional, educational and recreational facilities made the towns grow into large cities. Between 1941-1961, Calcutta's population rose from 3·5 to 6·5 million. In 1961, the cities with a population over 100,000 were 107 in number; and 78·84 million people constituting 18·3 per cent of the total population lived in 2,690 urban centres, large and small. Four per cent of the total number of urban communities accounted for 35 million or 44 per cent of total urban population. This polarization, being uncontrolled and diffused, had many ugly features. The gigantism made the city's present day situation very complex and difficult.

With this urban explosion, man lost completely his control over the city. The city failed to meet even his basic needs. In Calcutta, it was estimated in 1966 that more than 30,000 persons were classified as slum dwellers while the slum population was estimated to be more than a million. In Delhi, the housing backlog is estimated to be 100,000. The city thus lost its identity in the labyrinth of it buildings; at present it is just growing amorphously with no respect to design for either living or settlement.

Expanded Cities and New Towns

An analysis of demographic trends over the last two decades indicates that the rate of growth of a metropolis is faster than that of a

small town, as the rural-urban continuum connects a vast hinterland to metropolitan areas. This has led to colossal growth of the metropolises, like Calcutta, Bombay, Madras, Delhi, Kanpur, Hyderabad, etc. All these metropolises are uniform in having high-density centres and low-sprawling and low-density peripheries.

In the last two decades, the building of new towns had mostly been related to industrialization and oriented to projects. Besides administrative capitals like Chandigarh and Bhubaneswar other new towns are: port towns like Kandla, Haldia and Paradeep; steel towns like Rourkela, Bhilai, Durgapur, Bokaro and Vadravati; oil towns like Barauni and Noonmati, and fertilizer towns like Nangal and Gorakhpur. These towns are very small resembling neither an urban scene nor a village habitation pattern.

Towards Megalopolis—Trends in Regionalization and Urbanization

The process of gigantism is not likely to be retarded but accelerated; that sets the prospect for our cities. Currently, capital investments relating to industrialization are mainly concentrated in areas in or around a metropolis. By and large, an expanded city is a product of centralization, with decentralization of activities taking place in surrounding areas on the basis of their resource potentials. In such a context, a megalopolis is only a logical consequence. Urbanization in future is likely to be related mostly to specific areas linked by power and transport grid with a balancing of the population distribution nation-wide, with concentration in urban areas and taking into full account the needs of ecological valance, resource conservation and development. The impact of this process of gigantism on cities and metropolises is and will be in the form of concentric development,—rings being added from the central to the sub-urban and from the sub-urban to the fringe areas. For all these considerations, tomorrow's city can only be conceived in terms of a megalo-
polis, even a series of them forming an urban corridor linking Bombay-Madras-Bangalore-Hyderabad- Delhi - Kanpur - Lucknow - Allahabad-Calcutta.

URBANIZATION AND ECONOMIC DEVELOPMENT

B. D. Sharma

Urbanization in the modern form is a child of Industrial Revolu- :ion. When we are making a bid for rapid economic growth, two :hings are taken for granted about urbanization: (*i*) the inevitability)f urbanization; and (*ii*) urbanization as an integral part of the process)f industrialization and, in the final analysis, of economic develop- nent itself. In this paper, these two basic premises have been ques- ioned.

THE INEVITABILITY OF URBANIZATION

The social scientists in their quest to understand the social phe- ıomenon in an era of unprecedented advance of physical sciences ttempted to build social theories on similar lines. The commitment ıf 'human mind to quantitative values and quantitative methods of easoning', to tangible and verifiable evidence as the basis of scientific nowledge[1] led to collection, compilation and collation of volumi- ous data. Economic aspects of social life claimed maximum attention ecause: (*i*) in the new valuation matrix economic growth became ynonymous with social progress itself; and (*ii*) the economic activity f man in the frame of 'market and money' was amenable to quanti- ıtive analysis. Industrialization and urbanization, the two dominant :atures of socio-economic life, became the obvious objects of ıorough investigation.

The economic history of the developed countries naturally pro- ided the raw material for this analysis. The gross figures of the shift f population in these countries showed a secular trend spatially)wards urbanization and functionally from agriculture to industry ıd from industry to tertiary (service) sectors. The economists were ıpressed by the close parallel between the processes of urbanization ıd industrialization.

This co-occurrence was treated as two facets of an integral pro- ·ss and some causal relationships were also alluded. The analysis

[1] John U. Nef, *Cultural Foundations of Industrial Civilization*, p. 64.

was applied, *mutatis mutandis*, to the developing countries by enthusiastic researchers both from the developed and the developing countries. The former were handicapped by the limited vision of their own social situation while the latter were dazzled by the spectacular success of the West. By virtue of their training and social position they even accorded an independent (as opposed to instrumental) value to this process and treated it not only as necessary but also as desirable. The inevitability thesis was, thus, established and reinforced by 'past experience', by the new 'modernization valuation' and by virtue of concerted effort of poorer nations themselves for economic progress symbolised by industrialization and urbanization. The process did not remain a unique feature stimulated in response to special circumstances but acquired a mystic force.

The recent history of urbanization in the developing countries goes to support not only the trend so far as experienced by the developed countries in the process of urbanization but also strengthens the belief that the degree of urbanization will be much higher and faster in these countries than what was experienced anywhere else in the world. This is because of the synchronization of the process of urbanization and industrialization with the population explosion. The latter has had a parallel in the developed countries as well, but they were fortunate in having vast empty spaces in the new world and the process was more gradual. Further, we are also experiencing a technological revolution in medical science itself which has further aggravated the population problem. This situation is naturally interpreted as pushing the developing countries in the direction of the 'inevitable' as the added population which cannot be supported on land must find its way in increasing numbers in the cities.

The projections of urban population for India by Davis show that we may have a tremendous shift of population. Even the lowest estimate for the period 1950-2000 may call for a net shift in residence of 85·6 million people (20 per cent of estimated increase). The highest estimate is about 158 million (35 per cent of the total increase).

The possibility of a slower rate is discounted on the ground that 'there is no nation in history which has made the economic transformation but has not experienced urban change'. It is said that developments, thus far, in India give no indication, whatsoever, that India will be an exception to the rule. If India achieves the development that the population projections imply and economic plans envisage, it will doubtlessly have cities of a size never equalled up to now. The projected population of India's large cities, namely Calcutta, will be

between 12 to 16 million in 1970 and 35 to 66 million in 2000. The corresponding figures for Delhi be 6 to 8 million and 14 to 33 million. With an estimated population of one billion in the year 2000, the country's principal city with 66 million would constitute only 6·6 per cent of the total population. Whether human beings will want to live in such a huge urban agglomeration is another question. Mr. Davis observes that his projections do not say that such cities will exist, but they indicate that if other things occur, which people see as probable, then these too will occur.[2]

The result of such 'scientific' investigations are accepted without much questioning by planners and administrators. The assumption in much official discussion is that urbanization is a natural consequence and indeed an indispensible aspect of economic development. For example, the Planning Commission observe 'this process of rural-urban migration seems to be *inevitable* in the process of industrial revolution during which there takes place a shift of population from agricultural pursuits to participation in manufacturing processes and the development of services.[2]

The 'inevitability' thesis, when accepted implicitly or explicitly in our plan documents, seems to be inconsistent. We have set out as our goals the establishment of a Welfare State or a Socialistic Pattern of Society. The Development Plans are instruments in achieving these goals. This effort presupposes that there is no 'determinism' in economic history and there is an element of 'free will'; that events can be given a direction. Thus there is ambivalence when a plan document implicitly treats the pace and form of urbanization as inevitable.

This ambivalence, in fact, has infected the entire literature on economic development. Much of the interpretation of history is teleological. In this a 'purpose, which is not explicitly intended by any one, is fulfilled while the process of fulfilment is presented as an inevitable sequence of events'. "The unintended purposiveness introduces terms like 'natural progress' and 'growth' in which valuations are disguised as descriptions, teleology as causability, and reason as nature." In this process "what is 'inevitable' is not merely what follows from certain causes but also what serves certain ends—though not

[2] Kingsley Davis : "Urbanisation in India : Past and Future", *India's Urban Future*, Roy Turner (Ed.) p. 25.

willed by anyone—and the two are not clearly distinguished."[3] Urbanization not only follows from certain causes in the historical development of nations but also serves the purpose of progress and thus becomes 'inevitable'.

There is no conclusive evidence to show the compulsiveness of historical forces. It is the teleological approach which gives rise to this confusion. The followers of the greatest votary of historical determinism, Karl Marx, are the staunchest advocates of relentless planning although Marx himself was not a planner. "Indeed, Marx, and even more emphatically, Engles, condemned as unscientific the free-wheeling schemes of economic planning embraced by earlier French and English socialists."[4] Marx was wrong and his followers proved right. A society does and can make a purposive advance. The unquestioned acceptance of the trends in urbanization are nothing but uncritical surrender by planners and intellectuals alike to the supposed 'historical forces'.

Yet merely to say that the forecast of modern 'theories' about urbanisation may not be true, is not to provide a solution. To recall Davis, if certain other things happen urbanization at the projected rates will follow. To discard the inevitability thesis is only to show that these other conditions can be suitably planned to guide the pace and form of urbanization. Perhaps these 'other factors' may themselves need examination and their causal connection with urbanization may have to be explored.

'Industrialization' is one such condition which is said to lead to urbanization. These two together determine the level of economic development. We will now see whether this assumed causal connection is valid in the socio-economic reality of the developing countries.

URBANIZATION, INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT

We have already mentioned that the analysis of economic development in the West is super-imposed on the situation in developing countries and a correlation is 'established' between urbanization as a necessary element in industrialization and economic development. Before examining this correlation in detail, it may be necessary to clear certain basic concepts.

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[3] Gunnar Myrdal, *Asian Drama*, Vol. III, p. 1851.

[4] W.W. Rostow, *The Staegs of Economic Growth, A non-Communist Manifesto*, p. 7.

Statistical Fallacies

We will leave out of discussion the distortions arising from treating 'economic development' as synonymous with 'progress' since questions of basic valuation arise and the discussion may be alleged to be more philosophical than of the real world. The next important question is the measure of economic development itself. Economic development is directly proportional to 'per capita income' in a country. But for a developing country, this is a very imperfect measure. Firstly, a large sector of the economy is non-monatised and very many economic activities are outside the fold of 'market'. The result is that services which would contribute towards the aggregate of national income in West are outside the computation here simply because they are given 'free'. Numerous examples can be cited. Baby food industry, hotels and institutional unemployment benefits add to national income. But breast-feeding of the child, family cooking and sharing by the joint family its income with unemployed are outside its computation. In 'real' terms the latter may lead to higher satisfaction but only the former raise the per capita income.

The higher valuation of goods and services of urban and industrial origin also distorts the relative picture. Workers, entrepreneurs, middlemen, intellectuals, lawyers, medical men—everyone in the urban sector tries to dictate his price and through the 'clever' manipulation of the economy is able to pass on the burden to the rural sector which is, by and large, unorganized and cannot dictate its terms. The urban sector, therefore, exhypothesi, becomes more productive.

The measure of economic development in the hands of statisticians, in addition, suffers from 'misplaced aggregation'. The product mix of the national pie itself may determine both the potential and the level of economic development. This concept is well appreciated so far as investment goods are concerned. The same capital investment may give different result depending on its composition. But the distinction is not maintained in the case of consumer goods, which is not correct. In our country with a very low nutritional level, higher production of food may have a greater economic value than increase in, say, the production of motor cars or cosmetics. Yet the statistician is not concerned with this. His figures may show a rise of economic level even though in effect the level of economic well-being would have gone down, not to speak of the detrimental effect on the potential of economic development. Even what is produced under the same generic title makes a difference. 'Cheap' literature flooding the market in the wake of the spread of literacy may be detrimental

to the economic health of the nation itself, though through 'high profits' of their promoters national income may sore high. On the other hand, if the books are properly selected they may build up developmental potential by spread of useful knowledge, yet the profit of producers may not be high, the total national product may be consequently lower.

It is thus clear that the character of product-mix is of crucial importance to the developing countries and determines not only the level but even the potential of economic development. To what extent urbanization affects these basic determinants of economic development, therefore, becomes an important question in the whole process of economic development. The statistics which tends to co-relate a higher level of economic development with higher per capita 'income' is rather misleading and does not present the correct state of economy. Therefore, to understand the relationship between urbanization and economic development it is necessary that we see through this 'scientific myth'.

Misplaced Valuation

Another set of concepts which results in undue importance to the urban form of living is the bias of the articulate sections in the community. In fact, the entire elite is wedded to this form and, therefore, *per se* it is accorded a high valuation and 'progress' is identified with 'urbanization' itself. The image of urban form itself is highly subjective. The general poor conditions are either ignored or treated as legitimate cost of progress thus rationalizing the process. Similarly, under strong impact of demonstration effect from other developed nations, there is an intensification of the demand of manufactured goods. A higher valuation is accorded to consumption of industrial goods of whatsoever description. Thus progress is, again, identified with urban form and industrial production.

Costs of Urbanization

The above survey will help us in viewing the economic level of urban communities in proper perspective. The second question before us is about the 'costs' of the apparent higher economic levels in the urban areas. It is important to find whether the results justify the costs. We will not go into the question of 'human costs' involved as that would require subjective valuation. We will confine ourselves to the financial implications only.

The first important cost relates to providing civic facilities to the migrant group. In absolute term it is quite high. For example, the cost of urban development excluding the cost of houses in the U.K. works out to about Rs. 4,300 per capita or Rs. 21,500 for a five-member family. On the basis of these figures, the minimal figures with a lower standard of civic amenities in India is estimated at Rs 2,000 per capita or Rs 10,000 per family. If we add to this the cost of housing, the estimate will go up to a minimum of Rs 20,000 per family.

It is doubtful whether such investments can be managed for the vast migrant population. Even if this huge investment is accomplished, an average family, most probably, would have been provided with a one-room or two-room tenement. A family living in open air in an improvised hut with sufficient open space is thrown into one of the multi-storeyed buildings. By no standards, can this accommodation be said to provide the necessary cultural base for a decent family to live. And the nation has invested about Rs. 10-20 thousand. According to the calculus of the economics of development, this is a productive expenditure though in effect, this means a deterioration of physical conditions of living to the individual. As the resources are bound to be scarce, the actual conditions will be much worse than the above 'ideal'. This means reduction of scale and specifications and a planned development of 'slums' at huge national cost on a scale unprecedented in industrial history. This is done to serve the purpose of history which dictates the inevitability of urbanization with industrialization.

Yet, if the same family could be provided with a similar amount in the rural setting itself, the results would be uncomparable. The family would have the needed means of production and capital with which it can start a new life. It is common experience that the poorer cultivator, because of not being able to provide co-lateral security, cannot be given a loan of even Rs. 2,000 to dig his well, or for other agricultural inputs. If he could dig his well, the national expenditure could be recouped within a couple of years through increased production.

This example is just illustrative and the list could be multiplied. It only shows that the opportunity cost of providing facilities for mere urbanization and providing inputs in rural sector are almost incomparable. It may be noted that we have not taken into account the non-economic gains to the rural community from this judicious use of scarce resources.

It may be argued that the financial costs of urbanization as also the human costs may be more than compensated through other benefits, *e.g.*, the modernization outlook and the institutional frame conducive to economic growth. The institutional frame may include better conditions for capital formation (one of the basic pre-requisites of industrialization) and high labour productivity and utilization. We will examine all these facets in the following paragraphs.

Modernization Outlook

The argument regarding mutual benefits of urbanization and economic development runs in terms of economies of population aggregation and value transformations conducive to economizing and innovative behaviour. It is generally agreed that to the extent to which the process of modernization is mediated through urban centres, the larger cities play an important crucial role and that, in general, the larger a city the more important is its general mediating function in the process of social change and aculturation. To some extent, therefore, it is said that the rapidity with which the country modernizes or at least with which psychological attitudes to modernization are created is dependent upon the growth of cities, specially the larger cities.

The above appears to be a mistaken cause and effect relationship. In the history of industrial countries, modernization and growth of cities may have gone hand in hand, but the latter is not a necessary and sufficient condition of the former. Prof. Hoslitz while discussing the cultural impact of the cities on the countryside in India maintains that it is small and the attitudes of a large part of Indian urbanites towards educational standards, innovation, capital formation and entrepreneureship are little different from those of the rural population.[5] A more recent study of 'Urbanisation and Social Transformation in India' concludes that : (*i*) there is not yet any evidence of significant rural-urban difference with reference to the basic problems of social development; and (*ii*) a causal and concomitant relation between cultural change due to urban living/urbanization and social development cannot be legitimately deduced.[6]

There is yet another important aspect of Indian urbanization. The city is not, so far, a symbol of industrial activity but represents

[5] Burt F. Hoslitz, "The Role of Urbanisation in Economic Development : Some International Comparisons." Turner, *op. cit.*, p. 172.

[6] Ramakrishna Mukherjee, "Urbanisation and Social Transformation in India" Nels Anderson, *Urbanison and Urbanisation*, p. 110

in the social ethos the seat of government or a centre of trade and commerce. The rural-urban migration is, therefore, motivated by the urge to escape from physical work and find some 'respectable' job in the town. According to a recent study in one of the villages in M.P., the most common source of motivation for education happened to be a job of a Gramsewak, babu or some similar government official.[7] This trend is also confirmed by certain studies of in-migrants into Indian cities. The proportion of households sending out migrants from amongst agricultural labourers was very much smaller compared to households in other occupations. "As landless labour belongs to the poorest section in the rural areas, it seems strange that the 'push' to urban areas does not operate more strongly on it."[8]

The social and economic implications of this selective migration are serious. On the one hand, it is the educated who tends to migrate. On the other, they are searching for jobs which do not exist, thus swelling the army of the unemployed and unemployable. Many of these migrants find employment in occupations characterized by a low level of labour utilization and productivity.

The 'educated' migrant more often belongs to the middle and upper strata of the rural sector. In the process he is instrumental in the transfer of the money equivalent of his share of agricultural 'property' or he regularly visits the village to carry away his share of current incomes. Thus 'those who might have promoted the well-being of Indian industry and of Indian country side now loiter in the market place seeking work and finding none'. We may add they are much more alienated from their own communities, despise physical labour from which they wanted to escape and intensify the exploitation in the rural areas and are instrumental in the transfer of capital assets from those very areas where they are needed.

These circumstances result in anti-rural bias in general and apathy to physical labour in particular. The sons of those agriculturists who work with their own hands are getting too soft and seeking white-collared jobs. It appears as if the entire nation wants to dismiss the phase of hard labour and reach the stage of high level consumption of developed countries. These attitudes become a serious obstacle to growth where agriculture is by far the most important industry and physical human labour the most abundant resource. Thus, 'urbanization is strengthening the very same institutional forms which stand in the way of economic development'.

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[7] Sushila Sharma, *Role and Response of Women in Directed Change*.

[8] N. V. Sovani, *Urbanisation and Urban India*, p. 146.

Capital Formation

In the modern models of economic development, capital occupies a key position as the aggregate output is related to the stock of capital through the capital/output ratio. The definition of 'capital' of late, has been extended to include 'investment in man' as well. In a developing country even 'consumption', 'investment' dichotomy breaks down. Raising the calorie intake of the people through consumption is really an 'investment'. We will bear these facts in mind while discussing 'physical capital' in the following paragraphs.

In the Classical theory, capital formation is at the cost of consumption. This is now regarded as a static concept of capital formation. The dynamic concept, initiated by Keynes, treats consumption and investment as complementary; the higher level of consumption induces additional and more productive efforts which serve to generate incomes and which in turn renders possible both increased consumption and increased accumulation of capital. It has to be noted that this analysis applies to developed economies, particularly to a period of depression.

Following this analysis, the economists in developing countries tend to view higher consumption of any description with equanimity as it ultimately gives spurt to productive effort. This approach, however, ignores the completely different economic situation, scarcity of capital resources and the inability of market mechanism to regulate the alternative uses of capital. It is, perhaps, the Classical approach which approximates to the conditions in developing countries.

Consumption particularly above the minimal level eats into the savings. From this point of view, it has to be accepted that the consumption pattern in the urban areas is highly wasteful particularly in the zone of luxury and semi-luxury items. Under the impact of demonstration effect from the West one finds luxury consumption even in the middle classes even at the cost of some of the necessities. At comparative levels in economic scales those in rural communities save at a much higher rate. In fact, the post-Independence period has witnessed dwindling of savings even in the highest stratum of urban business community. Their personal consumption standards are, from the purely economic angle, highly wasteful leading to cornering of a larger chunk of corporate profits for individual or group consumption and thereby exhausting the very source of capital formation. There is an ever-increasing tendency to depend on institutional finance not only for new ventures but also for expansion, renovation and modernization. We may expect rural areas to follow the urban in due course.

The almost universal counter move of the under-developed countries to offset the attraction of superior consumption pattern has been the restriction on imports, particularly of the luxury and semi-luxury character. Severe restrictions on this type of consumption have played an important part in the development of two important countries, namely. Japan and Soviet Union and is currently being enforced in China with good results. Japan imitated the Western world in everything except consumption patterns. The iron curtain of Soviet Union effectively prevented higher consumption. These facts illustrate the possibility that a nation can devise its own methods for solving the problem of capital formation in a world of great dissimilarities in national living standards.

We have already noted that the cityward migration is resulting in transfers of funds which represent the savings of the rural people. They are being frittered away in high price urban economies resulting in dis-saving in macro-economic terms.

Take the case of construction activity in the urban areas. It is eating up a large part of all types of savings and capital; yet construction itself cannot be said to be capital investment, it is really consumption expenditure particularly if it is remembered that better housing facilities could be had in rural areas for almost no cost. Even when structures are a part of fixed capital assets only a fraction of huge amounts spent on buildings and others not-so-very-necessary items should really be considered capital expenditure; the non-essential and lavish buildings are the worst form of consumption expenditure whether it satisfied the government or an entrepreneur. So long as the basic needs of a large sector of population are not satisfied (that is, there is a possibility of 'investment in man') any investment which caters for luxury and semi-luxury items will in the ultimate analysis lead not to capital formation but to dis-saving in a realistic national accounting.

The capital formation suffers in yet another way. The urban-bias in planning has left out a large number of individuals in the upper strata in rural areas from active involvement in economic development. In Japan's economic development the traditional landlord played a crucial role—almost indispensible for the success of the entire development process. According to Fei and Ranis:

(*i*) He served as a financial interm ediary to the extent that agricultural savings were used to fuel the expansion of the industrial sector;

(*ii*) He invested in rural-based industry where he had the advantage of familiarity and close personal supervision;
(*iii*) His motivation for accumulation of industrial capital stock provided him with a strong incentive to increase agricultural production.[9]

His Indian counterpart could also play the same role if the institutional hurdles were removed and a propitious atmosphere was created in favour of investment in smaller place.

This brings us to the question of location of industries. Their widest dispersal would be ideal, but can it be done? There is no space to go into a detailed discussion in this paper but certain facts may be noted with advantage.

Location of Industries

First of all, there is no basis for the belief that a higher technology or a big industry necessarily requires bigger towns. It is claimed by some economists that there is a sort of general law associating wide dispersal of industry with small rather than larger plants. But Florance has found that big cities and cores of sprawling conurbations show a reversal of this law which he terms as 'Florance effect' "the less localised the location of an industry's plant, the less large the representative plant tends to be".[10] According to him it is not size of industry but other factors which are important in the location of industries and a conscious effort decisive enough can be made to direct the location of industries.

Territorial mobility of power has brought with it qualitatively new elements which shed new light on the attractiveness of individual territories and their economic potential. Instead of the labour moving from rural areas and smaller towns it is the industry which now can move to the labour. The technology should not prove a stumbling bloc. Even bigger industries need not be concentrated in bigger towns. If the social cost and benefits of the location of industry are fully taken into account a new blue print for industrial location would emerge. A new direction can, thus, be given to industrialization itself which may by-pass the inhuman urbanization of early industrialization in the West and help establish smaller communities on a human scale. As the well-known engineer-philosopher Morgan says "Had

[9] John, C. H. Fei and Gustov Ranis, *Development of the Labour Surplus Economy* p. 113.
[10] Sargent P. Florance, *Economics and Sociology of Industry*, p. 68.

it been the hope and aim of industrial American to make small industrial units feasible and economical, much progress might have been made in that direction (establishing smaller community) and probably the same per capita could have been attained."[11] There is no reason why the developing countries, now planning not only the economy but also the social life of their people should fall prey to the spell of giganticism and not try to give a new direction to their industrial development.

Labour Productivity and Pattern of Employment

In the end, we come to the second important factor of production—the labour. The urban centres are considered to provide larger number of opportunities and also get credit for higher productivity of labour. So far as the question of more job opportunities is concerned, it is a result of circular reasoning. There are more job opportunities partly because it is planned to be so through purposive investment and partly because the State tacitly underwrites to augment infrastructure and to provide civic facilities. This induces the entrepreneur to set up plants in these areas notwithstanding other hurdles. He benefits from an essentially communal investment. On the other hand, rural areas suffer owing to another circular causation. They do not attract these benefits because they do not provide those benefits. They are also very much lower down in the national priority for provision of infrastructure or civic amenities.

Even our Planning Commission makes a presumption that migration to urban areas is because of the direction of employment pattern. For the Third Plan period they estimated that 6·1 million persons would be added to the urban labour force and it was suggested that the Third Plan should aim at absorbing all these persons in employment to avoid any increase at the end of the Second Plan period. Thus, the Plan itself, on the one hand, made a presumption of migration and on the other created conditions for induced migration into the urban centres. It is also well-known that the employment elasticity of urbanization is greater than one—every new job in the city is likely to attract more persons than one from the country. Thus the creation of job opportunities in urban centres worsens the problem and reinforces the vicious circle of townward migration.

Regarding the productivity of urban labour force we have already noted several factors that tend to exaggerate productivity advantages

[11] Arthur E. Morgan, *The Community of the Future and the Future Community*, p. 104.

of modern forms of manufacturing. Besides the much higher capital intensity of large scale industry, it is important to note that the output of agriculture and the output of industry are priced under different sets of rules. The opportunity cost-analysis of capital investment in industry and agriculture is never attempted. The nominal rate of interest on capital in industrial sector as against usury practices in the rural sector is taken for granted. Also what should be a legitimate charge on industry in terms of unemployment benefits, is largely borne by the rural sector through the operation of its social and economic institutions. To what extent the productivity can be ascribed to the human and to what extent other institutional factors is an open question. There is also a great deal of confusion about productivity in agriculture because of the widely-held view that marginal productivity of agricultural labour beyond a certain point is zero. This premise is open to grave doubts. The question of labour productivity has, therefore, to be examined altogether afresh.

It has also to be remembered that labour productivity does not increase in urban areas *per se*. The service sector is perhaps the most conspicuous and pervasive example of loosely organized, if not totally unorganized, type of economic activity. As Myrdal observes "the distributive trade has long been a sponge for underutilised labour". We have a very large proportion of urban labour force in service occupation as compared to industrial occupations. In 1961, mining and manufacturing claimed 10·75 per cent (in 1951, 10·25 per cent) as against 20·12 per cent (in 1951, 20·03 per cent) for service industries. According to Hoslitz[12] at a time when the degree of urbanization was roughly the same in European countries as in India now, the share of labour force in manufacturing was substantially larger. Given the degree of urbanization, the countries of Europe were more industrialized than the present-day India. The lack in industrial development as compared with late nineteenth century Europe is not only exhibited by lesser degree of industrialization in India's countryside but also in her cities. This means that urban growth has proceeded with a smaller relative accumulation of industrial capital in urban centres and this in turn has the consequence that relatively fewer employment opportunities in manufacturing and related occupations becomes available in urban areas for immigrants to the cities.

This clearly shows that the impact of industrialization on urbanization is minor. In other words, it would be possible to sustain a greater degree of industrialization in the urban centres by using the present

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[12] Hoslitz, *op. cit.*, p. 161.

labour force more efficiently and by structural change in labour deployment. The urban areas do not need new workers to support a higher level of industrial activity. This underlines the necessity of planning for increased job opportunities in rural areas themselves to avoid over-crowding in the towns and to provide for a more balanced economic activity in the rural areas.

Conclusion

In conclusion, we note that in the current sociological and economic thinking, urbanization is considered inevitable. It is also a 'necessary' concomitant of economic growth and, therefore, 'desirable'. The present urban conditions are considered to be the 'necessary costs' of economic development.

These presumptions are doing incalculable harm in the developing countries. The most fundamental problem of economic development—its direction and form—is simply ignored. These questions are outside the zone of rational analysis and objective thinking. The direction is as 'clear' as daylight and is supported by the 'past history' itself. In these circumstances economic theory itself fails to rise to the occasion. Certain 'doctrines' continue as a part of scientific myth and the new conditions do not evoke fresh thinking. Solutions are attempted in terms of 'well-established' doctrines notwithstanding the fact that they were responses to an altogether different challenge.

As a result while we talk of 'urban explosion' and its grave consequences, we continue to helplessly witness the skewed growth of our towns. Not only the biggest cities are expanding at a phenomenal rate, but many of the smaller towns are declining. While we are making 'plans' for slum clearance and urban development, we have no plans to divert the unprecedented townward trek which will create much worse slum conditions. There are no plans to by-pass the worst phase of industrialization of the Western type. Whether it can be by-passed at all is not examined even on a theoretical plane.

In this paper, we have found that the inevitability thesis does not stand scrutiny. In fact, this thesis is born out of a fundamental preconception about the similarity of evolution in different countries at different historical periods. This is not justified on scientific grounds. We also find that there is something unscientific and ambivalent in thinking when inevitability is accorded even to the pace and form of urbanization in planning economic development and social transformation of a community. Given determination, not only can the

economic development be planned but also its direction and form, including that of urbanization and industrialization be made meaningful.

It is also clear that urbanization is neither a necessary nor a sufficient condition for economic growth. Under certain conditions and up to a point, it can be a desirable condition for growth, while under other conditions or beyond a certain point it could be a factor in slowing down the growth. In our stage of economic development urbanization not only lays claim on and uses unproductively the scarce capital resources but is also instrumental in slowing the very process of capital formation. At the moment it is also instrumental in, what may be termed as, fostering anti-rural outlook and attitudes hostile to physical labour. These are serious obstacles to progress. Economic theory as applied to the developing countries has largely failed in bringing to the fore these basic questions. On the contrary, one finds that independent valuation is accorded to the socio-economic processes of the West and they are elevated to the level of 'desirable'. In this process the instrumental value of some of them to our conditions is lost sight of. The socio-economic costs of tradition-oriented rural attitude, though never measured are easily assumed to be prohibitive enough to make growth extremely slow if not impossible. Yet similar costs of urbanization are never even seriously considered to be high enough to prevent or retard change.

We also find that there are no pressing reasons of technology for allowing the type of urban growth which we are experiencing at the moment. These aspects have not claimed the attention of the elite partly because they have been considered as inevitable and partly because they conform to the value orientation of this group. The skewed growth of cities remains unchallenged. The smaller towns and bigger villages are low in priority. They could be the centres of new economic activity, if the housing, roads, sanitation facilities and water supply could be provided with a much smaller claim on the capital resources at the disposal of planners. The Industrial Revolution and Agricultural Revolution could have reinforced each other. A large section of the prospective entrepreneurs is, thus, excluded from participating because the scene of economic transformation is confined mainly to urban India. The key role which the landlord played in Japan has no counterpart in India. The result is that energies which could serve economic development are being dissipated in the 'game of power and easy money'.

Thus it appears that there are more opportunities for making a person participate in economic planning and development in rural

and smaller communities than in urban and metropolitan centres. It is particularly so if we keep in view the political and ideological ferment of urban areas and human costs involved. In the present-day conditions the process of urbanization in both magnitude and intensity seems to be a factor retarding rather than accelerating growth. Development patterns which cannot slow down the explosive and skewed growth of urban centres will involve great wastage of human resources.

It is a challenge to both the social scientist and the planner. The social scientist has to discard much of the irrelevant equipment of his science and explore vast, new areas the like of which never existed before. He has to provide a new frame for policy. The planner has to re-examine the assumptions which he has been making so far. He has to work for such conditions in which every community can meaningfully participate in the national endeavour. It is these small efforts that can add up to a vast torrential current providing the motive force for economic development.

URBANIZATION AND INDUSTRIAL DEVELOPMENT

Ram K. Vepa

THE growth of urbanization by which is commonly meant human conglomeration in large-sized communities, has been a prominent feature of the twentieth century all over the world. In Europe and the North American continents, this phenomenon was already in evidence in the last century as rapid industrial expansion brought new emloyment opportunities to towns. London, New York, Chicago, Berlin, and a dozen other cities developed rapidly as centres of living, inhabited by large numbers of people engaged in trade, commerce or industry.

The distinguishing feature of the twentieth century has been the spread of urbanization to other countries which are in varying stages of economic development. In Asia, Tokyo has become the world's largest city with a population close to 13 million and the 'Tokaido megalopolis' as it is called in which six of the largest Japanese towns lie—Yokohama, Tokyo, Nagoya, Kobe, Osaka and Kyoto—contains 30 per cent of all Japan's population. It is estimated that by the turn of the century, this area alone will contain about 100 million people—a truly frightening prospect. On the Asian mainland, Shanghai has become a vast sprawling metropolis with population close to 7 million while Calcutta, Delhi and Bombay in India have developed into gigantic urban concentrations. Sydney and Melbourne, it is said, contain 40 per cent of all the population of Australia, while Mexico City has become the second largest city in North America and has more inhabitants than all the next nine Mexican cities put together.

In India, too, there has been a dramatic rise in the growth of urbanization : the number of cities with a population of more than one million is today 7, with more of them pressing for admission into this select group. In 1951-61, cities with a population of more than 100,000 grew at an annual rate of 3·8 per cent while the average increase in the country during the period was only 2·0 per cent. Although, only 5 per cent of the population live in the ten largest cities of the country. In sheer numbers, this still yields the impressive figure of 30 millions. And the prospects for the future are still more depressing: Calcutta, it is estimated, will have a population of 15 million in about two decades from now and Bombay, perhaps 23 million. It is, therefore, no surprise that there is a great deal of concern at the ability of these urban

areas to cope with the rapid increase of population that is expected —and the host of problems such an increase creates in housing, sanitation, schools, services and recreational facilities. These problems are further complicated when the population swells by the influx of refugees from neighbouring areas bringing with them new emotional attitudes and consequent social tensions.

It is common to regard this large increase in urban population as a consequence of industrial development, that as new industries are set up in these areas, there is a sudden need for labour of all types which is, therefore "pulled" from the neighbouring rural areas. In a sense, the growth of the urban concentrations in Western Europe or Japan has followed this pattern of a strong "pull" effect which tends to increase once a momentum is built up. New trades, services and facilities spring up to cater for this labour force—and, these, in turn, attract new enterprises which set in motion a cycle of further growth.

But sociologists are now beginning to realize that the pattern of urbanization in India and other Asian countries followed a different process. In these countries, where the bulk of the population still resides in the rural areas, the process begins where the pressure on land begins to decrease significantly the yields, and land-man ratio becomes unfavourable. Then, labour, no longer able to obtain even a living wage, begins to migrate and the first step is to leave the village to the nearby town. From there, they drift towards the metropolis not because there is any assurance of employment but because of the "push" of circumstances. Thus it is a "push" effect away from the village and semi-urban areas, rather than the "pull", that is causing the growth of the metropolitan areas in India and other developing countries. As Gunnar Myrdal observes : "Instead of standing as a symptom of growth as . . . in the West, urbanisation in S. Asia is an aspect of continued poverty".[1] This, inevitably, creates new headaches to civic authorities in these areas since the increased population tends to contain a greater proportion of vagrants and the unemployed leading to increased crime and violence.

Can this situation be corrected so that the growth of the metropolitan areas becomes more orderly and systematic and in a manner which the civic authorities can better handle? One of the methods being tried in India is to discourage concentration of new enterprises in the bigger urban areas. On the other hand, it must be conceded that to any potential entrepreneur, the infrastructure in terms of power,

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[1] Myrdal, *Asian Drama*, 1967.

water and roads, the access to raw materials, the presence of markets and even the meagre facilities for housing and recreation that are available in metropolitan areas form too great an attraction. The Government of Maharashtra, a few years back, offered a 'Package programme' of incentives to potential entrepreneurs if they would move away from the over-developed Bombay—Thana areas. These incentives included provision of land either free or at nominal cost, concessional tariff for power and water, exemption from sales tax, and preference in the purchasing policy of Government. Simultaneously, the Government embarked on a programme of development of new areas all over the State where basic facilities were sought to be provided for starting new industries.

Although this was a laudable attempt to prevent further congestion in an already developed region, the results have not been altogether successful. Excepting for a few of the newly developed industrial areas such as those near Nasik and Poona (which again was due to the growth of the heavy industry in those areas), the bulk of the new industry continued to be attracted to the Greater Bombay region, even though financial assistance from Government agencies is denied to those located in this area. It seems, therefore. that more positive efforts are needed if attempts to wean away new enterprises from the metropolitan areas are to meet with significant success.

A suggestion has been made that licensing procedures which have largely been used so far in relation to capacities already set up should be utilized to influence locational decisions for new industry. John P. Lewis has suggested for instance that Government should simply deny permission to locate factories of more than a specified size in population centres of more than a specified size, although he concedes that some exceptions must be made in the case of existing enterprises who wish to expand their facilities to make themselves more viable*. In his view, such a policy should be rigorously applied to the big "five" of the urban centres—Bombay, Calcutta, Delhi, Madras and Hyderabad—and nearly rigorously to seven other cities approaches the million mark (in 1961)—Ahmedabad, Bangalore, Kanpur, Lucknow, Poona, Benaras and Nagpur. While admittedly useful, it is doubtful whether such a policy can be formulated, much less enforced. The States would certainly be reluctant to impose such a self-denying ordinance on themselves particularly if these towns form at present most attractive growth centres therein.

The development of Industrial Estates has been another policy device utilized since the Second Plan and implemented with vigour in

* *Quiet Crisi in India*, p. 197.

the Third to prevent the growth of Industrial slums in urban areas. In the Second Plan period about Rs. 10 crores was spent on 110 Industrial Estates while the Third Plan witnessed the establishment of 300 Estates on which Rs. 21 crores were spent. Unfortunately, not all the objectives of the programme have been fully realized, and the general experience has been that while the Estates in and around developed areas such as at Okhla (near Delhi),Thana (near Bombay),Guindy (near Madras), and Sanatnagar (near Hyderabad) have been successful, many others have failed to develop new entrepreneurship in the semi-urban areas or to cause any significant relocation of existing industries.

The failure is particularly evident in the special category of Industrial Estates known as Rural Industrial Estates which were sought to be set up in the rural areas so as to help the process of rural industrialization. Basic facilities were created in villages whose population did not exceed 2,500 and it was hoped, through this device, to provide new employment opportunities in rural areas which would act as a dis-incentive for migration to towns and semi-urban areas. This experiment has been a failure and hardly any of the Rural Industrial Estates set up have been able to fulfil their objectives.

The failure of the Rural Industrial Estates Programme serves to highlight a fact that for industrial growth, villages so small as the ones selected, are really unsuitable to act as a nucleus of development. While agricultural planning has generally taken the village as a unit of development for the distribution of credit, fertilizers, seeds, etc., industrial growth requires a minimum level of infrastructure facilities which the average village is unable to sustain. It seems, therefore, necessary to think afresh on the optimum size of a potential 'growth-centre' for industrial development.

John P. Lewis has suggested a town of the size of 20,000 as being suitable for industrial development[3]. The National Council of Applied Economic Research in a study made few years back identified the traditional "market town" as good nucleus for what it calls "Intermediate Urbanisation."[4] It would seem however that the real criterion is not merely by the size of the population but a number of other factors—such as availability of skilled personnel, credit facilities, proximity to market, access to raw materials, minimum facilities such as post and telegraph offices, rail head, and general standing of the town in the life of the community. It would be possible to identify

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[3] *Op. cit.*, Chapter 7.

[4] NCAER, *Market, Town and Spatial Development*, New Delhi, p. 10.

some such towns in each district, and ensure that all the necessary facilities are made available in the first instance to such towns so that they can develop as new growth centres. In most cases, they will be in the population range of 20,000 to 100,000 and will also be either Taluka or Block headquarters.

The examples of Delhi and Madras are instances of how too great a congestion of the metropolitan areas could be avoided by the growth of 'satellite' towns which can act as "counter magnets" to the big cities. Right around Delhi have grown industrial townships such as Ghaziabad and Faridabad which have saved Delhi from the worst effects of industrialization. In Madras, the development of industries at Ambattur and Avadi has similarly helped to prevent new slums springing up along with the rapid industrialization experienced by it in the last two decades. The identification of new growth centres all over the country and the assurance of facilities to them on a priority basis will therefore help in preventing the existing metropolitan areas becoming dumping grounds of the rural unemployed and also to develop new focal points of growth in the country. If these are spread all over the country, they would also provide a device for correcting regional imbalances which have figured so prominently in discussions at the highest levels.

The policy of dispersal of industries can then be linked with the establishment of new growth centres. In the case of large industries, locational decisions have often to be taken on technological and economic consideration, except in a few cases such as those for machine tools, electronic equipments, etc. But in the case of medium and small industries, such decisions are more flexible and there may even be some rationale in establishing them at the new growth centres if they are engaged in the processing of agricultural raw materials available in abundance around these centres. Thus the scale and type of the new enterprises can also be a factor in helping to divert their locations from the metropolitan towns to semi-urban areas.

The technology adopted in these enterprises is another significant factor in the process of development of new growth centres. A sophisticated western type technology often requires skills of a high order which are lacking in our semi-urban areas, and it is, generally speaking, not labour-intensive although our semi-urban areas have labour force in abundance. Where the adoption of such a technology, is inevitable, there is indeed no alternative, though China in the mid-fifties, tried the "backyard furnace" programme for manufacture of steel for reasons somewhat similar to those being discussed here. It was

later abandoned although it must be conceded that the dramatic increase of steel production in the country (from a bare half-million tonnes in 1949 to 18 million tonnes to-date) may have been helped by the large scale adoption of even an admittedly crude technology for making steel.

But in less sophisticated processes, an intermediate type of technology has proved to be helpful in making considerable gains. In the manufacture of sugar, for instance, the efficiency of Khandsari plants, which at one time were considered uneconomic, has been improved to a point where their overall efficiency can well begin to compete with more conventional vacuum-pan sugar plants, which involve much higher capital outlay and require larger areas under cane farming. Similarly, the power-loom represents an intermediate step between the traditional handloom and the textile mill—which can be set up in any of the growth centres of the type suggested above. In the manufacture of cement it has been claimed that "baby" plants with an output of 50-100 tonnes per day (as against 600 tonnes in conventional plants) may have a utility in specific locations of high demand and involve a much smaller investment of capital. Thus the development and adoption of an intermediate type of technology involving limited resources of men, money and material might be another factor in the "de-urbanisation" process and spreading the effect of industrialization over a much wider area than at present.

Quite often, such growth-centres can be usefully set up around the large scale projects, both in the private and public sector. Unfortunately the ancillary industries development programme has not been consciously pursued in the private sector, and even in the public sector only a few organizations such as the HMT or Bharat Electronics have made use of it which in the long run is likely to help them in cutting down their operational costs. Besides, these massive public sector projects should serve to generate new enterpreneurship in the areas in which they are situated and help to establish medium and small scale enterprises. It has been demonstrated, however, that such a programme does not get going automatically as was once thought but require to be consciously encouraged through a well-conceived programme.

But if the growth-centres mentioned above are to have a significant impact quickly, Government must make conscious efforts not merely in a negative sense of prohibiting new industries in the congested towns and metropolitan areas, but by making the new growth centres attractive to potential enterpreneurs. This consists not merely in

providing developed land, power, water and roads but in creating such assets as credit agencies, raw material deposits, technical assistance centres, grain storage facilities, filtration plants, vocational training schools and general purpose workshops. A cluster of such facilities would undoubtedly act as a powerful 'pull' for the medium and small industries to be established at such places which would then inevitably develop as new growth-centres. Unfortunately, in the past the provision of such facilities by Government has been somewhat un-coordinated—a polytechnic at one place, a workshop at another, a technical centre at a third place—with the result that there has been no visible impact on the industrialization process. While dispersion of such facilities is likely to satisfy fully the clamour from local institutions, it is to be considered whether some degree of concentration of such facilities is not likely to have a better impact and contribute in the long run towards quicker progress.

In conclusion, it must be stressed that this is a problem which requires an inter-disciplinary approach through the coordinated attempt of the decision maker, the administrator, the sociologist, the technologist and of course the entrepreneur, so that a new pattern of urban development can be evolved which can mitigate, if not prevent, some of the admittedly evil effects of industrialization.

ORGANIZING CITY GOVERNMENT

Gian Prakash

CITY Government, today, is in a state of flux. This growing organism, pulsating with vitality, lives from crisis to crisis—political, administrative and financial. Municipal governments in our times have been subjected to enormous strains having been called upon to fulfil the tasks of developing and maintaining civic services on a scale far greater than they were designed to perform.[1] The tasks of the city governments today are far more varied and complex. They have not only to maintain the municipal services but to build up the infrastructure and provide the economic base to meet the requirements of a fast growing urban complex. Preparation of city development plans, their enforcement over a wide area, urban renewal, slum clearance and re-development of blighted areas, are some of the problems that confront the city, which has neither unity nor integrity.

Most municipal administrations are not equipped to meet the challenge of the modern city[2] and there is hardly any area of administration which touches the daily life of the citizen so intimately and where the indices of clientele satisfaction would be so low. It is not, therefore, surprising that the structure, functions and areas of local authorities are under constant review and a matter of political debate in and out of the Legislatures which by their statutes provide the necessary sanction for establishment of Municipal Corporations and define the extent of their powers and resources.

The demands of decentralization and autonomy in Local Self-Government are being countered by the transfer of municipal functions to special area authorities or *ad hoc* bodies and the needs of reconciling democratic aspirations with efficiency of service are put forward as arguments for executive centralization and bureaucratic control. All this has led to a fragmentation of authorities and conflict of jurisdiction. Speaking of the Government of London before its recent reorganization, the Herbert Commission stated "The machinery is untidy and full of anomalies. There is overlapping, duplication, and

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[1] W.A. Robson, *Local Government in Crisis*, London, Allen & Unwin, 1966, p. 9.

[2] *Third Five Year Plan*, Government of India, p. 693

in some cases gaps."[3] The description would be equally applicable to most great cities across the globe and yet paradoxically enough little has been done to reorganize our city governments to be effective instruments for the provision and maintenance of services so basic and essential to the economic welfare, safety and convenience of vast masses of urban population. "Local Government is suffering from a momentum of decline . . . any substantial improvement will demand far-reaching changes in the structure and finance of Local Government, the relations of local authorities with Central departments and the powers entrusted to Local Councils."[4]

The Metropolitan City

The impact of the technological revolution and the development of transport and communications have transformed the concept of the city. The old city owed its vitality to religious and cultural forces as a centre of administration. Life revolved round the civic centre. Its size was relatively limited and could even be contained within a wall. The modern city, however, is an economic phenomenon. Itself the product of industrial development, it becomes the agent and instrument of economic growth and industrial expansion. The city today knows no boundaries. It grows under the dual forces of concentration and dispersal—congestion and blight at the centre and amorphous sprawl outwards.

The city, therefore, is no longer a single political entity. It is, on the one hand, a corporate legal person having a well-defined territorial jurisdiction under a statutory governmental organization; on the other, it is a socio-economic and geographic entity spilling across local, district or even State boundaries, encompassing within its fold a number of authorities, functional and territorial. The metropolitan area is a disorganized complexity, living by its own momentum interspersed by brakes, jams and breakdown, to say nothing of social upheavels. The urban dweller lives in one jurisdiction, works in another and goes for shopping and recreational facilities to a third. He sends his children to school managed by one authority and drinks water supplied by another. Urban government presents a confusing pattern of separate local units, boards and authorities. Such a situation is hardly conducive to the development of civic loyalties and responsible citizenship. No wonder that the voter turnout in civic elections is generally lower than that at the State or national levels.

[3] *Report of Royal Commission on Local Government in Greater London*, 1960, p. 73.

[4] W.A. Robson, *Local Government in Crisis*, *op. cit.*, pp. 10-11.

The Problem

The central issues in the world-wide debate on the organization of city government are two, namely:

(*a*) Structural organization with particular reference to the effectiveness of the municipal administrative machinery, which in turn depends on the nature and character of the executive;

(*b*) The question of rational link between areas of administration and functional distribution to ensure not only the efficient provision of municipal services but also a smooth orderly transition through the period of rapid growth and extension.

These two central themes, as they affect the functioning of our city governments, are examined below.

Patterns of Municipal Organization

A feature of the city administration is its broad sweep and the comprehensiveness and diversity of its functions. Urban governments are called upon to undertake a variety of activities and provide civic amenities and community facilities without which it would be unthinkable for the vast mass of people to be concentrated in a relatively limited area. Local government at its own level is the replica of the state government and yet something more. It is the executive arm for the performance of a great variety of functions and execution of local works with an added emphasis on public relations and people's participation. Success of city government depends so much indeed on civic tradition and civic pride which may ensure active cooperation of the citizens in the maintenance and running of municipal services and in the enforcement of its rules and bye-laws for a healthier and more satisfactory life for the urban community. Since Local Government deals with matters of everyday life it has been considered to be an area of administration where even matters of detail could be left directly to be dealt with by the representatives of the people. This probably found its full expression in the English System of Local Government where the elected Council holds the dominant position working through a host of Committees which, in turn, deal directly with the operating heads of departments. It was this system of Local Government by Committees assisted by a subservient Secretary or Executive Officer, if any, that formed the basis of the Local Government structure in India. But it differed from the parent system in the fact that the local bodies were not so free from the control of the Central

Government which retained to itself wide powers for direction and supervision including the power to dissolve, suspend and supersede. In the United States also the distrust of a strong unified executive led to the adoption of Mayor-Council plan in which the executive authority was diffused and the Mayor had little actual control on city administration.

City Government, however, involves less of policy decisions and more of programmes and their execution calling for a high degree of administrative and technical competence. In the United States, the weak-Mayor-Council system divided executive direction among Council Committees, the Mayor, a number of elected officials and a variety of boards and Commissions. "The existence of these varieties of executive pluralism, based as they were on the faulty premise that the people would have a greater voice in their government, had a debilitating effect upon the administrative process."[5] At the turn of the century, executive power in municipal government was gradually held by a Strong Mayor, directly elected or the Council Manager appointed by and responsible to an elected Council. The Council Manager plan gives a professional expert and a career administrator the full responsibility and authority for the direction of the municipal departments. The Mayor and Council approves the budget, lays down policies and is the chief arbiter of the Manager's conduct of the administration. The system has helped to raise the standards of efficiency in municipal management.

While the Council Manager Plan has been most popular with medium cities, the large cities in the United States have preferred the Strong Mayor System—under which the Mayor functions as the Chief executive much in the same manner as the Governor or the President. It is felt that the Council Manager Plan fails to provide the necessary political leadership for a bold approach to the problems of the great city which the Manager with his preoccupation with administrative efficiency, financial discipline and professional limitations fails to provide. "The people of the large cities feel that political decisions should be made by a politically accountable official, the Mayor."[6] Nevertheless, in a number of cities the Mayor is now being assisted in the performance of his arduous duties by a high ranking administrator.

In the United Kingdom a Committee on the Management of

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[5] Benjamin Baker, *Urban Government*, Honolulu, East-West Centre, 1965, p. 425 (also see page 16).

[6] *Ibid.*, p. 147.

Local Government (1967) emphasized that "the lack of clear recognition of what can and should be done by officers and what should be reserved for decision by members lies at the root of the difficulties in the internal organization of local authorities."[7] Admitting the undoubted value of the deliberative role of Committees it pointed out that Committees "on the English pattern which administer as well as deliberate are no longer feasible. The virtues of Committees are outweighed by the failures and inadequacies of the Committee system."[8] While it did not favour the vesting of direction and control of the administration in a single person, such as the Strong Mayor and the Council Manager, it recommended the setting up of a small management board with five to nine members. It also recommended that the Town Clerk, without being handed over the powers of the American City Manager should be recognized as the head of the city administration with authority over the principal officers for the efficient management and execution of the functions of the local authorities. He should be made responsible to the management board while the principal officers should be responsible to the higher authorities through the Clerk.

In sharp contrast to the elected single executive of New York there is the bureaucratic executive head of the City of Paris, which unlike the Communes in France does not have a Mayor. The Prefect of the *department* of Seine in which Paris is situated, is the Chief executive. He is a very senior member of the national cadre of prefects. The Municipal Council and its Committees have wide powers to inquire into every aspect of city administration and the examination of the annual budget gives the opportunity for wide ranging scrutiny of administration and enunciation of broad policies. Nevertheless, except in a few matters they can scarcely force their decisions on the Prefect, who is appointed by the Ministry of the Interior.[9]

A unique instituion in the field of municipal executives is the Dutch Burgomaster. He is appointed by the Crown for six years and can be re-appointed. His salary and emoluments are also fixed by the Crown but paid out of municipal funds. He presides over the municipal Council and guides its deliberation but has no vote. He is the Chief executive and presides over the College or Executive Board consisting of 6 to 12 eldermen elected by the Council. He has

[7] Benjamin Baker, *op. cit.*, p. 35.

[8] *Management of Local Government, Report*, Vol I, London, HMSO, 1967, p. 27.

[9] For a full account *see* Brian Chapman's contribution on "Paris" in *Great Cities of the World*, W. A. Robson (Ed.), London, Allen & Unwin, 1954.

independent powers but seeks to exercise them in conjunction with the local authority. He is neither a State civil servant nor a local government official but the ceremonial head of the municipality. He presides and leads. Standing above political parties he can always come forward with objective agreements that influence the decisions of the Council.[10] One of his important qualifications is his capacity to work in harmony with the Council and to identify himself with the interests of the municipal authority he serves.

Municipal Structure in India

Under the Constitution of India, local government is exclusively a State subject and the structure and powers of urban local bodies are defined in the municipal laws of respective States. For major cities, known as the Municipal Corporations there are special separate laws and their organization somewhat differs from that of other municipal authorities. There are, today, thirty cities constituted as Corporations out of which thirteen have a population of 5 lakhs or over and another 13 have a population between 2·5 and 5 lakhs. The pattern for Municipal Corporations was largely set by the City of Bombay Municipal Act of 1888. Although there are some variations in the structure and powers of the various authorities the basic governing principles are practically the same. The Corporations under their respective laws have three statutory authorities, namely :

(*a*) The Corporation Council including the Mayor and Deputy Mayor.

(*b*) The Statutory Committees.

(*c*) The Commissioner.

The Councils vary in size from about 40 in the smaller Corporation to about a 100 in Calcutta, Madras and Delhi and 131 in Bombay, elected on the basis of universal adult suffrage. It is the supreme governing body of the Corporation and the municipal government of the city vests in it. It is the custodian of policies. All proposals for taxation and the annual budget estimates are initially drawn up by the Commissioner, but it is the Statutory Standing Committee which reviews the whole matter and often makes substantial changes before submitting the same to the Corporation Council for its final approval. The Municipal Commissioner generally appointed by the State Government is responsible for carrying out the decisions of the Corporation

[10] For a fuller account see Vol. 4 of the *Management of Local Government, Report*, London, HMSO, 1967, p. 125.

with full control over staff and exercising the executive powers for the carrying out of the provisions of the Act and rules and bye-laws made thereunder, subject to such limitations and conditions as are laid down in the law regarding the powers and jurisdiction of the Statutory Committees and the Councils. The Mayor is elected by the Council for a period of one year and can be re-elected. He is the acknowledged leader of the Council and presides over its meetings. He represents the city at all occasions, ceremonial or otherwise. Although without any specific executive authority he has the opportunity of influencing the administration and development of the city because of his high position nnd enormous prestige of his office. Although the Commissioner is designated as the chief executive authority for carrying out the provisions of the Act there is a wide range of powers exercised under the law by the Standing Committees and the Council that are of an executive nature and would not normally be exercised by the legislative body. The powers of the Council are indeed so wide that they have often to be delegated to the Standing Committees or the Commissioner. For instance, in Calcutta the Corporation delegated powers to the Standing Committees in respect of three hundred matters and the list of delegation to the Commissioner contains over sixty items[11] and yet the Corporation of Calcutta Enquiry Committee of 1962 observed that "too many administrative matters go up to the Corporation and the services of the Standing Committees are not utilized to the full extent". In respect of the Commissioner, it said, "the entire executive power for carrying out the provision of the Act has been vested in the Commissioner but his statutory powers are very limited and unless these powers are supplemented by an adequate delegation of other powers by the Corporation and Standing Committees, he could not run day-to-day administration of the municipal affairs with proper efficiency".

The powers of the Commissioner in the Municipal Acts of Bombay, Madras and some other Corporations may not be as circumscribed as in the case of Calcutta, but the executive authorities are considerably handicapped in day-to-day administration by the following broad limitations :

(*a*) Even if budget provisions have been made for specific items and works of expenditure, purchase of stores and the like, the Commissioner has to obtain the sanction of the Standing Committees or the whole Council for expenditure and contracts exceeding certain amount which varies from Rs. 5,000 to Rs. 25,000 in different Corporations depending

[11] Ali Ashraf, *The City Government of Calcutta : A Study of Inertia*, Bombay, Asia Publishing House, 1966, Appendices A and B, pp. 89-123.

on their size and importance. All contracts and expenditure exceeding generally a thousand rupees, even though within the statutory powers of the Commissioner, have to be reported to the Standing Committees. His powers with regard to acquisition and disposal of land or leasing of movable or immovable properties is further circumscribed and it is not unusual that the Commissioner has to go to a Standing Committee for its approval for fixation of rent or allotment of shops, etc. The process of obtaining sanction of the appropriate authority has been often found to be dilatory, resulting in considerable delay in the sanction and execution of important works.

(*b*) In matters of establishment, although, the staff is under the administrative control of the Commissioner, his powers of appointment and therefore of disciplinary control are substantially circumscribed. In most Corporations appointments to posts carrying an initial salary of about Rs. 200 or over have to be made by the Standing Committees or the Council and any disciplinary proceeding against such incumbents require the approval of these deliberative bodies.

(*c*) The Committees generally and the Council in some cases enjoy appellate powers against the orders of the Commissioner in establishment matters, taxation and in some cases, assessment also, building regulations and control and licensing, etc.

Apart from the exercise of specific powers the working of the departments of the Corporation and the whole range of municipal services is constantly under review by the Standing Committees and the Council, leading to resolutions and directions to the Commissioner. "The Committees are to be found busy inspecting institutions and works places concerned, and offer suggestions by passing resolutions for improvements. For instance, during 1962-63 the nine Committees of the Hyderabad Corporation had 569 meetings, that is, almost two meetings every working day. No wonder that in 1958 an observer of these Committees in the Hyderabad Municipal Corporation suggested that their activity should be cut down. Moreover, the character of some of their activities is such that it may not be possible to shield city administration sufficiently against the pressure of local vested interests."[12] Apart from these the municipal administration works

[12] M A. Muttalib, "The Municipal Commissioner", *Public Administration*, London, Autumn issue, 1967, p. 298.

under constant pressure from the Members of the Council in matters of establishment of rules and bye-laws in such matters as removal of encroachments, restrictions, on lettings of public lands, etc., which evoke considerable public tensions. Under the circumstances the State Governments have been finding it increasingly difficult to secure the services of senior officers for holding this difficult charge.

A parallel is sometime drawn between the institution of Municipal Commissioner and the American City Manager, but there are some hasic differences between the two. Firstly, while it is the Council which has the complete power of hiring and firing the city manager, in India, the Municipal Commissioner is appointed by the State Government generally from amongst officers of Indian Administrative Service and they can be withdrawn or transferred at the instance of the State Government or on the Corporation Council adopting a resolution for withdrawal by a vote varying in different Corporations from a mere majority to two-thirds of the total membership. While there are instances of Municipal Commissioners that have teamed well with the Mayor and have carried the elected bodies with them in the day-to-day administration of the city, generally he is looked upon as the "Government's Man" imposed on the Corporation and his bureaucratic background evokes a sense of aloofness and hostility among the elected members. The question of relationship between the executive and the deliberative wing is a standing issue defying solution.

Secondly, although entirely subordinate and accountable to the Council, the American City Manager has wider authority and much greater freedom of action, and has a much better chance of carrying the small Council and its Mayor with him. He is untramelled by any interference from the Standing Committees and a large body of Councillors that take so much of the time of the Commissioner. It is the City Manager's job to work out feasible alternatives for solving city's problems, and get the democratic organ, the Council, to chose the course to be adopted. Once this decision is taken, it is for him to ensure that the will of the Council is carried out.

Thirdly, the City Manager, is a professional expert, who has made municipal administration his carrer. He is selected by the Council on the basis ofhis past achievements in this field and is employed for a contract period, which can be renewed. His future and his market value depends on what he makes of his opportunities. He as well as the Council, that has engaged him, has a stake in his successes and failures. The Municipal Commissioner, though a career administrator, is not a specialist in urban affairs and works in his job as

a passing assignment outside his line to which he is anxious to return as soon as possible. One of the criticisms levelled against the system is that the incumbents of the post are frequently transferred causing dislocation in the city administration. Delhi, for instance, has had four Commissioners in the past five or six years.

The present system of administration, therefore, has failed to ensure effective executive performance. "From the administrative standpoint there is no supreme authority or body, small enough for close and thorough deliberation, strong enough to initiate and carry through new and massive plans, and comprehensive enough in jurisdiction to coordinate or supervise the activities of other branches of Corporation."[13] On the other hand, the elected wing of the Corporations have been clamouring for power to deal with the cities' problems for which they are answerable to the people. There is a proposal for Delhi to vest the entire executive power of the Corporation in the Mayor aided by two Deputy Mayors forming a Mayor-in-Council. While such an arrangement may make the City Government more democratic doubts have been expressed about its capacity to handle the difficult and complex problems of the city of today. The success of such an experiment is ultimately dependent upon the ability of municipal bodies to obtain the services of high level expertise and what is more the willingness to be guided by such expert advice in larger interest of the city.

Any proposals to invest the office of the Municipal Commissioner with fuller executive authority and freedom of action is unlikely to be acceptable to the municipal council and will only evoke greater hostility of the deliberative wing. Moreover, the Commissioner is a public servant and cannot be expected to mobilise popular support and public participation on a large scale, which is essentially a function of political leadership. Nevertheless, it cannot be denied that there is need of a strong executive organ which can act effectively, expeditiously and with responsibility backed by necessary technical expertise to deal with the complexities of the urban situation.

It may be mentioned that apart from the Corporations, the municipal bodies are governed by an omnibus municipalities act in each State in which the executive authority is vested in the Council and the Chairman, elected by the Council as its leader. Excepting some specific powers vested in the Chairman, all authority is exercised by delegation to the Committees, the Chairman and permanent officers of the

[13] Ali Ashraf, *op. cit.*, p. 58.

municipal body. In some States there is a system of appointing executive officers or chief officers on terms and conditions that may require prior approval or confirmation of the State Government. This system extends to most local bodies even in the population range of 2 lakhs to 5 lakhs. Even though more democratic in conception, the system involves a diffusion of authority and responsibility which has led to an appalling state of inefficiency and maladministration.

The Rural-Urban Relationship Committee, having carefully considered the various view points, recommended that every Corporation and major Municipal Councils may have four functional committees for Planning and Development, Works and Housing, Health and Sanitation, and Education. The members as well as the Chairman of the Committees should be elected by the Councils. Over and above this there should be a Coordination and Finance Committee, which is headed by the Mayor of a Corporation or Chairman of a Municipality, as the case may be. The Deputy Mayor/Vice-Chairman and the Chairman of the four functional Committees should be its members. Two more members may be elected by the Council. Special Committees may also be set up as considered necessary, for specific functions. These Committees should have limited powers. It is the Finance and Coordination Committee that should play the dominant role in controlling the preparation of budget, supervising all financial matters and ensuring coordinated working of all the departments.[14]

The recommendations of the RURC are still under consideration, and do not satisfy the advocates of 'all power' to an elected executive. The problem of the local bodies today is the inordinate delays which characterize their decisions and the need is for a machinery which can expedite decision making. Within the framework of democracy this power has to be exercised by the Mayor with the help of a small Committee. Under the circumstances, a more appropriate structure of the government of our cities could be as follows :

(*a*) The Municipal Council should function purely as a deliberative organ, formulating general policies, codifying, approving and enforcing rules and bye-laws, and overseeing, administration of licences and management of municipal property. Its primary instrument of control should be approving of the annual budget and voting of measures of taxation. Sanction of the Council should be required only for major capital projects costing say more than Rs. 5 lakhs or

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[14] *Rural Urban Relationship Committee Report*, Vol. I, New Delhi, Government of India, 1967, paras 7.25 and 7.26.

for raising of loans and debentures. Once the larger project or scheme is approved the responsibility for its implementation should be left to the executive.

(*b*) The term of the Mayor should be co-extensive with the term of the Council as in the case of the Chairman of a Municipality, and he should be the head of a small Executive or Coordination Committee as suggested by the Rural Urban Relationship Committee, which is charged with the management and general supervision of municipal government and responsible for the same to the higher authority. The Executive Committee would function as the link between the permanent executive and the Council. Leaving the day-to-day administration and staff functions to the permanent head. It will exercise general control and scrutinise and consider in detail the proposals of the administration for legislation, budgetary approval, programmes and policies and submit them where necessary to the main Council. It will also be the duty of its members to answer questions in the Council under the general directions of the Mayor/Chairman.

(*c*) The various Committees, that may be set up should consist of members and prominent citizens having special interest in the area concerned, but their function should be only to advise and recommend but not to administer as at present. The Executive Committee may even consult research institutes or associations, voluntary organizations and pressure groups but all the advice given and recommendations made will be for the consideration of the Council and its Executive Committee to help them to arrive at policy decisions in the light of enlightened and well-informed public opinion.

(*d*) The Municipal Commissioner or the Chief Executive Officer should be permanent head and all the principal officers should be responsible to the Executive Committee through the Chief Executive. He should control the entire establishment, exercising disciplinary powers and assessing the work of the departmental heads. He would coordinate the activities of the different departments and would be specially responsible for the financial management of the local authorities. He will have the responsibility of enforcing rules, bye-laws and other directions and policies of the Council and of placing before the Executive Committee the various alternatives with technical and financial aspects in respect of the different

problems. In other words, he will be the principal adviser of the Council,although the ultimate decision will lie with the Executive Committee and the Council. It is obvious that such an officer must have adequate experience of local administration, depending on the size and importance of the city the affairs of which he is called upon to handle. It is evident that in India we cannot depend on the supply of such expertise from the open market as is the case with the City Managers in the United States. Therefore, there must be a standing cadre of administrative officers organized at the State level with possibilities of inter-State exchange so that it is possible to develop a career service for local government whose members are available for being posted to the different towns and cities according to their seniority and experience.

The Problem of Area and Functions

The legal and political boundaries of cities do not usually take cognizance of the city as a socio-economic fact. "The metropolitan area has not been visualized as a single entity in government, although in economic and social affairs its unity has long been accepted.[15] The urban sprawl and ribbon development beyond the municipal limits is a common experience of all growing towns. In some cases the expansion is so large as to include a complex of authorities, with none in a position to deal with the common area problems of arterial highways, transport and communication, electric distribution, water supply and drainage, etc. The physical factors, legal jurisdictions and administrative, technical and financial limitations of the core city prevent its taking up common problems of a metropolitan area. The inevitable result of the process is that the State Government steps in to undertake the broader area-wide functions, through its own agency or through specially constituted single purpose authorities. The establishment of a separate Water Supply and Sewage Board for Bangalore and the Calcutta Metropolitan Water Supply and Sanitation authority are cases in point. Generally, however, there is complete lack of any organization and the respective departments of the State Government step in here and there creating fresh problems of coordination. The situation created by rapid urban expansion and the relative incapacity and failure of the urban local authorities has resulted in an erosion of municipal autonomy and powers, apart from administrative confusion created by a melange of operating

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[15] H. F. Alderfer, *Local Government in Developing Countries*, New York, McGraw-Hill, 1964, p. 192.

agencies. The powers and administrative organization of our municipal bodies do not coincide with the economic and social facts of urbanization. "Disintegrated local government in metropolitan areas results in un-equalised services, in a disparity between need and fiscal ability.... and in a dispersion and dissipation of political control of the development of social, economic and political institutions."[16]

A possible course sometimes adopted to deal with the question of government of metropolitan areas or town groups is the extension of the boundaries of the main city and annexation of potential urban areas under a single municipal authority. Some of the cities in India have adopted this course. For instance the establishment of Delhi Corporation brought together under unified control a number of disjointed municipal bodies as well as rural areas of the Union Territory comprising about 300 villages. Similar action has been taken to include sizable rural areas within municipal limits in Poona, Kanpur, etc. On the other hand, the Calcutta Corporation had been reluctant to take over the adjoining areas and the Calcutta Metropolitan District covering an area of over 400 sq. miles has 35 municipal bodies apart from a number of rural local authorities. As the fringe areas are generally underdeveloped, their inclusion within the main city places a heavy burden on its resources, apart from being subjected to constant criticism of unequal standards of services in the different acceding localities. The Bombay Corporation after annexing adjoining areas kept separate budgetary accounts for these sub-standard wards, which continued to be differentially served by various municipal utilities. The position is similar in Delhi.

A growing difficulty against a policy of annexation arises from the increasing resistance on the part of local authorities in the outlying areas. To a recent proposal for the inclusion of Thana, Kalyan, Ullhasnagar etc., which now form part of the Bombay urban complex, the respective local bodies reacted sharply and asked to be constituted into a City Corporation area themselves. On the other hand, the State Government found that even the area of the Corporation of Greater Bombay is not extensive enough to deal with the problems of planning and development of the metropolitan region and after appropriate amendments to the town planning law, a Metropolitan Regional Planning Board has come into existence with only the power of planning. There is also a proposal for a metropolitan and regional Water Supply organization under the direct control of the State Government.

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[16] A report on Toronto metropolitan question (1953) quoted in Robson, *Great Cities of the World*, p. 62.

Even where large areas and population in excess of about half a million have been brought together under a centralized municipal authority, it has become necessary to consider measures of decentralization not only to ensure the effective performance of services and maintenance of municipal amenities but to overcome distance between the citizen and the administration. While the City Council and its executive organs often seem remote, the citizen becomes apathetic to municipal matters. "It is difficult for local government to flourish in an atmosphere of indifference, suspicion and distrust."

The only sensible solution for such large urban areas is a two-tier system by bringing together existing units of local government under a common metropolitan council or a federation of local bodies with area-wide functions that would otherwise remain unattended, such as planning, plan enforcement, development of water-supply, sewerage, electricity, trunk road, etc. In the case of very large central cities, it may be necessary to introduce a measure of decentralization entrusting local powers to lower tier units but it is the metropolitan organization that would be the corporate authority with the requisite financial powers and serving as the link between the local bodies and the State Government. What is required is a process both of centralization and decentralization with a proper distribution of functions.

A number of cities have with advantage adopted a two tier system. An interesting experiment is the case of the city of Toronto and 12 adjoining local authorities, which were sought to be included into the city boundaries in 1951. A strong protest from these local bodies having then a total population of 4,67,000 as against Toronto's 6,67,000, led to the establishment in 1953 of an upper tier Metropolitan Council consisting of 12 representatives of the smaller units and 12 from the main city, presided over by a nominee of the Lt. Governor of Ontario for the first two years—but who continued to be re-elected by the Council in subsequent years. The local councils continued to undertake numerous activities while the metropolitan body was able to undertake extensive capital projects of planning and urban development. The working of the experiment was recently reviewed and the lower tier authorities have been rationalized to a number of six.

Metropolitan Tokyo, the largest city in the world with population exceeding 10 millions, was the result of the consolidation of the City of Tokyo Prefecture in 1943 during War time under an appointed Governor. Now it has an elected Council of 120 with a Governor

elected every four years as the Chief Executive. Even so there are decentralized units consisting of 23 special wards which constituted the original city of Tokyo, and 10 cities, 22 towns and 10 villages.

A more recent example is that of the re-organization of the Government of Greater London under the Act of 1963 following the Report of the Royal Commission of 1957-60. London already had for about 60 years a metropolitan two-tier organization with 28 borroughs under a strong London County Council covering about 117 sq. miles. But London had expanded far beyond so that the area covered by the Herbert Commission's proposals included 118 local authorities extending over 620 sq. miles. These have been re-grouped together into 32 borroughs with a population range of 1,50,000 to 3,50,000. The redistribution of function has resulted in wider authority to the borroughs units which are better rationalized in respect of size and areas. Yet the Greater London Council "can look with a single eye at the entire metropolis in regard to such essential services as strategic planning, main highways and traffic regulation, housing and overspill, fire services and refuse disposal, sewage and the ambulance service.... It avoids an extension of *ad hockery*.... It also avoids the futility and procrastination of joint Committees or boards."[17]

There can be no ready-made solution for our metropolitan ills and it is never possible to transplant political institutions from one soil to another. Nevertheless, the problems of cities have so much in common the world over. It is time that instead of tinkering with the problems bold steps were taken to rationalize our local bodies in matter of size and an appropriate distribution of functions with an overall regional authority taking charge of broader area-wide problems of trunk services, involving heavy capital investment and a high level of expertise. The experience of other countries has shown that there is no other way.

[17] W. A. Robson, *Local Government in Crisis, op. cit.* p. 142.

URBANIZATION AND RURAL GOVERNMENT

U. C. Ghildyal

WHILE urbanism is an attitude of mind, urbanization is a process palpably discernible in tangible forms on the physical plane. In a primarily agrarian and closed rural society, such as ours, the process of urbanization is an inevitable, concomitant and irreversible consequence of the thrust of science and technology in rural areas. "Whether envisaged in its demographic context or as part of the general development process, . . . urbanization is not only irreversible in practice, but also necessary to the political, economic, social and cultural development of the various countries."[1] Urbanization is not only "an excellent index of economic development and social modernization but is also itself a stimulus to such changes".[2] So, it is both a cause and an effect, a sign and an augury of further change. If the process of urbanization is so inescapable, is it not desirable that an effort is consciously made to facilitate its spread? Left to itself, the technological gap between rural and urban areas would, no doubt, get reduced and, perhaps, bridged in due course of time but cannot something be done to bring about a continuity in town and the country with a view to maintaining a stable balance between the two as integral parts of the scheme of balanced regional and national development? This is the sphere in which rural government has a crucial role to play by facilitating and nativising the process of urbanization, by providing and promoting in rural areas infra-structures, goods and services ordinarily associated with urban settings.

India is a vast country which covers an area of 3,276,141 sq. kilometers and a population of 494·6 millions,[3] the majority of which lives in rural areas. About 79 millions are reported in 1965 to live in 2,002 urban areas.[4] Among different size-groups of towns, 107 cities

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[1] United Nations Technical Assistance Programme, *Report of the UN Workshop on Administrative Problems of Rapid Urban Growth in the Arab States*, New York, the United Nations, 1964, p. 40.

[2] "Economic Development and Cultural Change"—"Urbanisation and the Development of Pre-industrial Areas"—Kingsley Davis and Hilda Hertz Golden; Vol. 3, 1954-55, Johnson Reprint Corporation, New York 3, pp. 23-24.

[3] *India: A Reference Annual 1967*, Delhi, Publications Division (Ministry of Information and Broadcasting), 1967.

[4] *Report of the Rural-Urban Relationship Committee*, New Delhi, Government of India (Ministry of Health and Family Planning), 1966, Appendix III, p. 132.

of 100,000 and above population absorbed 35,110,251 population in 1961.[5] The proportion of population in these cities is reported to have gone up considerably during the last decade. If administration is concerned with development, and if continued urban growth is inevitable and irreversible, our discussion can be meaningful if it can be shown that the rural government has a vital role to play in effecting an "orchestration of activities" between the rural and the urban segments of society. An attempt is being made in this article to bring out the impact of rural government on urbanization and *vice versa* as well as the interaction between the two. A discussion of the process of urbanization and its implications in a rural society, such as ours, is a necessary desideratum for understanding the growth, structure, functions, limitations, potentials and prospects of rural government.

THE PROCESS OF URBANIZATION : ITS IMPLICATIONS

The rural and urban societies have been conceived as two polar types, but, in fact, they do not exist as dichotomies : they really signify points in continua. The rural and the urban seem to blend into each other, of course, the former being more open than the latter. These different environments thus mould the outlook and the behaviour patterns of those living in them. As Sorokin and Zimmerman[6] indicated, the size, density, occupational differences are so strikingly different in city and country that these are individually inadequate bases for distinguishing between rural and urban areas. Rural and urban areas do not exist, of themselves, in a vacuum but the principal characteristics of each may be found shading into, blending or mixing with those of the other.

The urban setting is characterized by a large population, rapid spatial growth, a high proportion of immigrants, high literacy rates, quick and diverse means of communication, a highly specialized non-agricultural occupational distribution, an abundance and mushrooming variety of social and cultural facilities as well as organizations and a heterogeneity of linguistic, religious, professional, ethnic and other social groups. The rural setting, on the other hand, is characterized by "distinctiveness, smallness, homogeneity, and all providing self-sufficiency,"[7] having its own rhythms : a "diastole and a systole"[8]

[5] *Census of India, 1961*, Government of India, Paper No. 1 of 1962.

[6] P. A. Sorokin and Carl C. Zimmerman, *Principles of Rural-Urban Sociology*, New York, Henry Holt & Co. Inc., 1929, pp. 13-58.

[7] Robert Redfield, *The Little Community : View-points for the Study of Human Whole*, Chicago, The University of Chicago Press, 1958.

[8] T. Lynn Smith, *The Sociology of Rural Life*, New York, Harper & Brothers, 1947, p.88

endent on the agricultural necessities and, perhaps, also on the hering impulses of sociability to draw people together for a few irs of work and play. Morton's[9] "localites", of the rural areas gely confine their interests to their community. They are parochial, trariwise with the "cosmopolitan" types. The rural folk are not all ock-dominated" and helplessly time-bound because the rhythm their natural environment gives them the flexibility of adjustment. . clock-consciousness is a concomitant factor of urbanism as a tter of sheer necessity.

The differences in the density of population seem to be instru-ntal in giving the general cast to many important features of rural l urban life. For the city-dweller, they mean, on the one hand, gestion, lack of privacy, impersonal relations, psychological iso-on and other disadvantages accruing from environmental factors. , on the other hand, a high density of population also means numer- social contacts, availability of all conceivable specialized services, sibility of being selective of associates, anonymity and freedom n prying inquisitive eyes or gossip so characteristic of primary ups, well-supported and well-run institutions, opportunities to parti-ite in the cultural advantages of city-life and easy availability of dern household conveniences, etc., etc. For the country, the low sity of population offers an opportunity for quiet and solitude; it ins abundant fresh air not yet contaminated by soot, smoke or fum-rom the exhausts of vehicles ever plying in hurry to catch time by forelock. Low density of population in rural areas makes for indance of verdure, flora and fauna; it is also favourable to inti-te social relationships in forms of social interaction possible only small primary groups. The geographical isolation of these areas being rapidly overcome by the fast means of communication.

All pre-industrial countries are urbanized to some degree be-se of the impact of industrial nations. Kingsley Davis and Hilda rtz Golden observe : "If, instead of grouping countries according their degree of agriculturism we group them according to their gree of urbanization, it turns out that the more rural countries 'e as many large cities and, as many dwellers in large cities as more urbanized ones."[10] With special reference to our country / observe that "there is some tendency for urbanization to run ad of other aspects of development in India". This phenomenon

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[9] Robert K. Merton, *Social Theory and Social Structure* : *Localite vs. Cosmopolitan*, coe, Illinois, The Free Press, 1961, pp. 359.

[10] "Economic Development and Cultural Change" : Urbanisation; and the de-ment of pre-industrial areas; Kingsley Davis and Hilda Hertz Golden, Vol. 3, 1954-55, son Reprint Corporation, New York, pp. 14-15.

results in what Redfield and Singer call "transformation of folk societies through two processes of urbanization—primary and secondary."[11] In the primary phase, a folk society turns into a peasant society, sharing "a common culture which remains the matrix too for the peasant and urban cultures". In the secondary pattern of urbanization, a folk society—pre-civilized, peasant, or partly urbanized—is further urbanized by contacts with people of widely different cultures from that of its own members. This secondary pattern produces not only a new form of urban life, in some part in conflict with local folk cultures, but also new social types in both city and country. In the city appear "marginal" and "cosmopolitan" men and an "intelligentsia"; in the country emerge various types of "marginal folk : enclaved—, minority—, imperialized, transplanted, remade—," etc. While primary urbanization tends to coordinate political, economic, educational, intellectual and aesthetic activities to the norms provided by the "Great Tradition", the general consequence of secondary urbanization is the weakening or supercession of the local and traditional cultures by states of mind and patterns of behaviour that are incongruent with local cultures. The Amish farmers of Pennsylvania, the Menorites and the Nazarines belong to that category of farmers in U.S.A. who still resist urbanization and modernization in the midst of oppressive compulsions and compelling temptations of technology. They consider it unethical to live an easy life and still use horses for ploughing and horse carriages for transport in the country which manufactures and exports thousands of automobiles every day. For them it seems as though "Thanks-giving" would not be genuine if crops grew easily and yielded out of proportion to effort. But if and when their children get exposed to outside world, they do not like to return to their homes again to live in the yawning gap between them and the outside. Nearer home, the infructuous attempts to rehabilitate the so-called nomad descendents of Rana Pratap—the "Gadia Lohars" of Rajasthan near and around Udaipur are reminiscent of Czechoslovak efforts to make gipsies live in well-designed houses.[12] The manifestations of primary and secondary urbanization are abundant in our country today and we find them at different levels and stages of existence—the folk, the peasant and the urban—all co-existing simultaneously in time and space, mixed together at places. The rural sector is increasingly stepping into what can perhaps be termed as the primary stage of urbanization where a renaissance of old cultural values finds an anchorage in tradition, retreatism and ritualism. In effect, community development

[11] Economic Development and Cultural Change : The Cultural Change : The Cultural Role of Cities, by Robert Redfield, U. Milton, B. Singer—Johnson Reprint Corporation, New York, 1954-55, pp. 60-65.

[12] *Sunday Standard*, Magazine Section, July 28, 1968.

programmes promoted and quickened the pace of this transition. The highly urbanized sector, on the other hand, strive to transcend even the secondary stage of urbanization. Thus, different layers of our society represent different stages and levels of growth on the same landscape and exemplify the phenomenon of the "contemporaneousness of the noncontemporaneous", to use Karl Manheim's phrase, and create insurmountable difficulties for balanced development of the country. The process of urbanization has aggravated the imbalance and needs to be understood in its totality.

PROBLEMS OF PERI-URBAN AREAS

The process of urbanization penetrates deep and fast into the countryside outwards from the city and affects the economy of the rural hinterland. The casurina plantations on the fringes of Madras or the vegetable and fruit cultivation belts on the outskirts of Calcutta, Nagpur, Bombay, Delhi, Kanpur or Amritsar bear ample testimony to the resilience with which supplies in rural neighbourhoods respond to the urban pull. The "impact zone" of urban influence in Hyderabad Metropolitan Region covers an area of 40 miles in radius (covering 4000 sq. miles around the twin cities) and transcends the boundaries of Hyderabad district as an administration unit. The study conducted by the Hyderabad Metropolitan Research Project[13] reveals that the cropping pattern within the "impact zone" has changed rapidly from single to double and multiple crops, including fodder, vegetables and a variety of cash and food crops. It also revealed that the urban influence in the Metropolitan region had a positive correlation with economic growth of the area.

The peri-urban areas grow faster in those sectors of rural hinterlands which are well connected to the urban centres by roads. They draw new comers from villages—not infrequently unskilled agricultural labourers who are also not wanted or needed at places they decided to leave. While these migrants retain their rural moorings, they do not also take any interest in improving the conditions of the places they now live in. At best, they become catalysts of urbanization when they go back home taking with them such things as transistorised radio listening sets, wash-and-wear terylene clothes, pressure cookers, etc., then gravitate more migrants from their spheres of influence and become reference-points in the locality for reliable performance of others who follow them later. This accentuates "the cultural and behavioural

[13] The Hyderabad Metropolitan Research Project, *Technical Bulletin No. 4: Delimitation of the Hyderabad Metropolitan District*, October 1966, Hyderabad, Osmania University Institute of Asian Studies, pp. 2-4.

gap between several layers of differentially urbanized persons' the city as well as the peri-urban areas and prevents the gr of "an organically cohesive social community".[14] A few con nity services undertaken by some philanthropic or ambitious s workers who aspire to climb up in lime light, get concentrated in areas because of their easy accessibility and close proximity to u centres and become the haunts of visiting dignitaries. So, the mig from rural areas start taking interest in local politics[15] and ac the status of being considered as credible sources of information interpreters of change.

The suburban zone, however, is full of competing and s times conflicting interests and is more like "a waiting room for a to the town". The interests of agriculturists, vegetable gro orchardists, cattle-farmers, poultry farmers, speculators and the need to be reconciled and balanced to prevent the growth of depr areas around new towns. The question of rural-urban relatio was first raised by the Ministry of Community Development[16] in 1 Shri S. K. Dey, the then Minister of Community Development Panchayati Raj could envision the need for having an organic established between the urban local bodies and Panchayati Raj i tutions. It was, therefore, recognised as being necessary that "l ning for the suburban zone must form part of the master plan"[1] a region. This implies the extension of rural government an integrative functions to eliminate regional imbalances. If Hyder town were to get tomatoes from Bangalore, not because they ca be grown in the peripheral areas around it, but because they are ch er even when transported from Bangalore, it would obviously sad commentary on lack of rural-urban integration. If oranges "Thomson Seedless" grapes grown in Gurdaspur can reach I faster, fresher and cheaper, why would they not dislodge the Na oranges and the "Anam-e-Shahi" grapes of Hyderabad. This w reveal that the peri-urban areas constitute a vital sector of the re having peculiar problems of its own but forming an integral pa the entire region. Should the peri-urban areas, therefore, const a separate unit of rural government or should they be treated as a of the bigger metropolitan region? This points to the need of

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[14] *Report of the Rural-Urban Relationship Committee, op. cit.*, Vol. I, p. 10.

[15] A. H. Somjee (Ed.), "*Politics of a Peri-urban Community in India*, Bc Asia Publishing House, 1964, pp. 34-42.

[16] *Report of the Rural-Urban Relationship Committee, op. cit.*, Vol. I, p. 1-2.

[17] United Nations Technical Assistance Programme : *Report of the Semi Public Administration Problems of New and Rapidly Growing Towns in Asia*, United N New York, 1960, p. 12.

has been so glibly stated in our Five Year Plans that "balanced and coordinated development of the industrial and agricultural economy of each region" should be achieved.

REGIONAL PLANNING

What do regional planning and region imply then? Simply stated, regional planning implies optimum use of manpower resources and productive capacity of a region. We talk of regional and area planning because we recognize that we have not fully husbanded all available resources to meet human needs within a region which can be defined as an area "which is so homogeneous that it becomes distinctly and fundamentally different from others". But the criteria for determining this homogeneity would be different for administrators, sociologists, anthropologists, economists, historians, political scientists, linguists, geographers, meteorologists and the like.

Should regional planning be, therefore, conceived of in terms of Dr. Gadgil's "Mandi areas"[18] with reference to strategic focal points which draw from and connect the sinews of the rural hinterland with urban centres? Should it be conceived of in terms of resources and potentials as has been done in selecting Intensive Agriculture District Programmes[19] areas in zones better endowed for intensive cultivation of specific crops, such as rice in West Godavari or Tanjavur and wheat in Ludhiana? These are all difficult questions to answer because there may be different answers for different questions and all of them correct in themselves. Can't we, therefore, think in terms of economic districts rather than administrative districts? The Tennesse Valley Authority in U.S.A. signified a regional plan. David Lilienthal[20] who presided over the TVA for a long period of time found in this project a scope and an opportunity for "individuals to see themselves as participants" in the endeavour. But Philip Salznick at a later stage wrote on "Grass Roots Democracy—Myth or Reality" that in the TVA "while democracy, as represented by the demands of local interests, had its way, democracy by a wider definition retreated until it became invisible before the pressures of vested interests". Would this happen in a regional unit of planning in our country also? The

[18] *District Development Planning* (R. R. Kale Memorial Lecture) by D. R. Gadgil, Poona, Gokhale Institute of Politics and Economics, 1967, p. 21.

[19] Ford Foundation Report to Secretary, Government of India, Ministry of Food and Agriculture in "New" opportunities through IADP for growth in India's agriculture, 1968, pp. 147.

[20] David E. Lilienthal, *TVA : Democracy on the March*, New York, Harper & Row, 1953.

Damodar Valley Corporation was moulded in the image of TVA but did not seem to contain quite many of the vital elements of the latter because regional planning seems to have been understood differently by us. The Planning Commission has recently prepared a Resource Development Plan for 5 major natural regions consisting of 15 sub-regions and 61 divisions—each division fitting entirely within the territory of a State. But the boundaries of some of the States do not conform to the standards set for a region which may be reasonably taken up as a basic unit for planning. The linguistic States claim cultural unity but one hardly finds any among the Gonds of the hilly tracts and the fisher-folk of the Mahanadi delta. The States of Madhya Pradesh, Maharashtra or Uttar Pradesh are too unwieldy while the Union territories of Tripura or Manipur are too small to be considered as regions. The re-organization of Punjab has brought, in its wake, claims and counter-claims for Chandigarh on the one hand and duplication of administrative agency on the other. The idea of resource development as propounded by the Planning Commission has been construed and interpreted differently by different States which seem to vie with each other for some measure of self-sufficiency. This notion, for instance, threw up in the news the martyrdom of Amrut Rao to press his demand for a steel plant at Vishakhapatnam not realizing that the bulk of iron ore and coal deposits in the eastern part of the country will have a decisive role to play in determining the locations of steel plants.

Considering regions in terms of resources, potentials and problems, it is essential that an integrated and balanced growth of rural-urban areas is planned for and promoted by government. Therefore, "plans of social and economic development of rural areas have to be linked up closely with those of adjoining urban areas",[21] and this can be possible only when there is a coordination between rural and town governments under a unified State policy. Is it not, therefore, possible to organize a pattern of rural government which subsumes within itself the functions, resources, and responsibilities of all aspects of administration which integrates rural and urban sectors? By doing this, the multiplicity of agencies operating within the area would be avoided and it would also enhance the competence of the rural government to deal with diverse problems in a compact area of organic unity. Kerala Government is contemplating to give even police powers to its rural government units. Such units of government are more likely to arouse and enlist the spontaneous participation of

[21] *Report on Indian and State Administrative Services and Problems of District Administration*, V. T. Krishnamachari, New Delhi, Government of India, Planning Commission, 1962, p. 54.

citizens even in their diversity so that liberty becomes for them, as Alexis de Tocqueville conceived it as "a power to build and not merely a capacity to resist". The rural government should then blend liberty with control in a manner that the interest, enthusiasm and participation of citizens are sustained in its performance.

NATURE OF RURAL GOVERNMENT

The rural government in a country, such as ours, has to promote planned change in a manner that it occurs in a given and desired direction as though it were spontaneous. The rural government should, therefore, function as an agency to implement the Directive Principles of State Policy in consonance with the emerging 'techno-structure' and the socio-psychological structure of our society. But if it is merely an agency and has no freedom to respond promptly to local needs, it may prove to be infructuous. The problems arising from urbanization are so diverse, so many and are spreading so fast and deep into the rural areas that they demand attention urgently lest their adverse effects ramify far and wide and disintegrate the social structure which may be difficult later to reintegrate in the desired direction. This can happen only by devising suitable organizational structures and administrative arrangements; by formulating policies which are commensurate with national objectives and by creating suitable infrastructures. The units of administration—regional and local—will accordingly need to be adapted to changing requirements of the time. We must, therefore, have local government controlled by local people and performing functions of a local character, adjusting local priorities with national objectives. The people must be enabled to articulate local needs so that their government becomes responsive to them. At different levels of priority, the association of benefits with local action has led in many countries and even in our own, to an increased willingness on the part of local people to participate in activities of the government and make voluntary contributions of labour, land, equipment and money as and when and to the extent necessary. A clear link, therefore, needs to be provided between individual sacrifice and individual benefit; between his effort and his satisfaction; between his risk and his gain; both for the individual through the community. This is what rural government alone can do. This assumes crucial significance in the context of the need for narrowing the gap between urban and rural sectors and for achieving an integrated total development of the country which is primarily rural. Its function, character, organizational structure, administrative machinery, powers, resources and leadership are all matters that merit discussion in terms of regional development and planning.

The pattern of rural government as it evolved in our country this process came to be known as "Panchayati Raj", in pursuance Balwantray Mehta Committee report accepted by the National evelopment Council in 1958 and implemented by different ate Governments from October 2, 1959 onwards. The scheme ovided for a three-tier structure of organically linked local self-overning bodies from the village upwards to the district; it also pro-ded for a genuine transfer of power and responsibility and also of lequate resources commensurate with responsibilities entrusted to for development of the area. Different patterns emerged in dif-rent states. The Rajasthan pattern made the middle tier—the Pan-layat Samiti—more powerful; the Maharashtra pattern made the la Parishad so whereas the Andhra pattern balanced the power tween the highest and the middle tiers at the district and block levels. ther patterns were evolved by different states (like Assam and West engal) according to local conditions. The scheme operates in 2,12,424 llage Panchayats covering 98·3 per cent of the villages and 97·5 per nt of the rural population. There are 3,494 Panchayat Samities and 3 Zila Parishads in the country.[22] Panchayati Raj is now in operation all States of the country except Jammu & Kashmir, Kerala, Naga-nd, Madhya Pradesh and parts of Bihar. This scheme (also known the scheme of "democratic decentralization") has initiated a pro-ss of politicization of the rural masses in India and has found a che "in the minds of men". It has been organically linked with fferent levels of administrative hierarchy in a joint endeavour of the ople, the peoples' representatives and their servants. It has provided the rural masses a democratic medium for articulating their needs d aspirations and for self-fulfilment as a logical corollary of peoples' owing awareness to opportunities of better life which science and chnology offer and which Community Development Programme med to foster and promote. It facilitated the fading away of the ng-over of the feudal social distance between the officials and the n-officials and has also made its impact on economic, social and litical aspects of rural life. It provided a valuable communication annel through which the desires and aspirations of the people would t harmonized in plans and programmes satisfying local needs in nformity with national objectives. This link between the people nd the programmes created new centres and types of activity in the tate, combining with professional competence and system of work, on-official common sense, detailed local knowledge, emotional fer-our and fresh vigour of local leadership from local men of acumen,

[22] Ministry of Food, Agriculture, Community Development and Co-operation eptt. of Community Development). Annual Report 1967-68. New Delhi, the Minis-, 1968.

integrity and experience to render useful social service and eventually lead the area. It generated a spirit in them to assume responsibility for the tedious but very necessary functions of maintaining buildings, roads, irrigation channels and the like which had been constructed in the first flush of enthusiasm generated by the Community Development movement and which would otherwise fall into disrepair simply because the routine task of maintenance is not an inspiring one to the community as a whole. It is this absolutely essential task of maintenance which the rural government system can fulfil for the state besides taking up new projects of local interest. This system of rural government could also help promote coordination of activities between the different tiers with unification of authority at levels appropriate to the units concerned. The integration of the extension services in rural government was a very significant step in broad-basing decision-making for implementation of plans and programmes in local areas. The functions of rural government in our country, therefore, cover a wide spectrum of public service, ranging from items based on the intangibles that can be derived from a democratic society to the essentially practical but uninspiring performance of the mundane matters of living together, such as public health affairs.

The emerging pattern of leadership, programme orientation of Panchayati Raj bodies, their financial viability, their political ferment and impact on social change, the performance of associate organizations and the relationships between officials and non-officials and the balance of stress on regional planning has been brought out very well in a recent publication[23] of the National Institute of Community Development. Talking about balanced development of the country, one could say with Dr. Jacob that "in determining programme priorities, due consideration has to be given to variations in the stages of development and potential for diverse aspects of development, prevailing in different states and different areas". There should, therefore, be sufficient flexibility in regard to the programme content; flexibility that is consistent with the basic concept of integrated regional development. The rural government can always draw a line "between programmes of nation-wide priority and coverage and those of local relevance and need". But what is the area that can be treated to be sufficiently local within a region so as to enlist active participation of people? What should then be the size of the unit of rural government in these circumstances. These are questions that are relevant to our enquiry about the effectiveness of rural government.

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[23] Dr. George Jacob (Ed.), *Readings on Panchayati Raj*, Hyderabad, National Institute of Community Development, 1967, p. 153.

SIZE OF THE UNIT FOR RURAL GOVERNMENT

The question directly related to regional planning and rural government is the one about the size of the unit of rural government. In the city-state of Athens, Pericles could have spoken to all the citizens—and he would have done it much better and more easily now with amplifiers of human voice—but how few citizens would have had a chance of speaking to him even in the small city state. President Kennedy could speak on television about the Cuban crisis to all citizens of his nation state. Smt. Indira Gandhi talks to the teeming millions of our country on the Independence Day but how many in a nation-state so vast as ours, can never imagine to have the opportunity of personally speaking to her. "The smallest democratic nation state, Iceland has more than twice as many adult citizens as Athens had.... The number of adult citizens in New Zealand is around 30 times that of Athens while Netherlands has more than 100 times as many adult citizens as Athens had. France has more than 500 times as many, the U.S.A. about 2,500, and India, the largest representative democracy in the world, 5 to 6 thousand times as many. In fact, the number of new voters coming of age each year in India would supply a citizen body for more than a hundred city states, the size of Athens".[24] Now, if the nation states are too gigantic and if the inter-dependence and population densities render the autonomous self-governing city state too costly, are there units resourceful enough, powerful enough, autonomous enough, effective enough and yet small enough to permit, and in the right circumstances to encourage, a body of citizens to participate actively and rationally in shaping, planning and fashioning vital aspects of their lives in common? Is there, in this sense, an optimal unit for rural government?

Madhya Pradesh Government had introduced the "Janapada" experiment in 1948. In Vidarbha, the old District Councils and Local Boards were abolished and replaced by one Janapada Sabha in each Tahsil, which, on an average, was "about twice the size of a Taluka in other parts of the State".[25] The Janapada Sabhas functioned as nominated bodies to begin with and were elected in 1952. For purposes of local government, "the whole State was divided into 96 Janapadas; but as some of these units were too small in size and too limited in resources, they were re-grouped into 58 major Janapadas including urban and rural local bodies within the area in the

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[24] Robert A. Dahl, "The City in the Future of Democracy", *The American Political Science Review*, Yale University, Vol. LXI, No. 4 (December 1967), p. 957.

[25] *Naik Committee Report on Democratic Decentralisation: Janapada Sabhas: Historical Background*, Chap. III, 1961, p. 19.

Janapada set-up. The Janapada authority consisted of the Sabha, the Standing Committee and the Chief Executive Officer".[26] One basic feature of the Janapadas was decentralization and the other was the integration of State and local administration. The Sabha was only a deliberative body while its Chief Executive Officer was the administrative authority. This experiment was not given the trial it deserved. Like the Janapadas, the units of rural government under Panchayati Raj have combined the State and local administration and, to a limited extent, also secured an integration of rural and urban areas in decentralized democratic functioning. The Japanese local government have attempted to amalgamate small towns and villages throughout the country. "The prefectural governments have been urging villages and towns to amalgamate into larger units. This process of amalgamation has affected the village government. The original traditional village unit—the *Burako*, has gradually become the subdivision of a larger unit—the *Mura*, the new type of village."[27] The re-organization of school districts in U.S.A. created similar difficulties as are being faced by people in Japan now. The vital question now is as to which spatial unit would be the most suitable one for rural government, a Zila Parishad, a Panchayat Samiti, a Village Panchayat, an Anchalik Panchayat, a Mohakama Parishad, a Janapada Sabha or a Mandi area? Whatever may be the arrangement, "local government can remain strong only if it does not hamper new developments but promotes them by seeking to adapt itself suitably to these developments. Therefore, one may expect local authorities to take into account, in determining their policy, regional and national interests too."[28] Dr. Jacob observes that the village panchayat consists of a face-to-face community and, therefore, elections held at that level create tensions which become "a permanent heritage of the village."[29] He, therefore, argues as to whether the village panchayat should be made a larger unit than what it is today. "In Kerala the panchayat has a population ranging from 20,000 to 30,000. The Andhra Government is planning to re-organize the existing 15,000 panchayats into 3,000. But a larger panchayat may lose the corporate spirit so essential for community development. The R. K. Patil Study Team

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[26] *The Pattern of Rural Government* : Report of a Seminar, February, 1958, Indian Institute of Public Administration, New Delhi, Appendix I—Janapada Experiment in Madhya Pradesh, p. 95.

[27] United Nations Technical Assistance Programme, *Local Government in Selected Countries, Ceylon, Israel, Japan*, New York, 1963, pp. 87-89.

[28] "Local Government Structure and Organisation", Problems of Metropolitan Areas : Paper presented at the World Conference of Local Government, Washington, International Union of Local Authorities, 1961, p. 21.

[29] Dr. George Jacob, "Panchayat Elections Hamper Community Development", *The Statesman*, June 16, 1968.

came to the conclusion that the village panchayat in Rajasthan, with a population of 6,000 to 8,000 was too large. The Jadavji Bhai Mody Committee recommended for Gujarat that the maximum limit for a panchayat be reduced from a population of 10,000 to a population of 5,000. There are 2,12,465 village panchayats in 5,57,247 villages. In almost every case, therefore, the gram panchayat covers more than one village and the arrangement of grouping more than one village "may have achieved viability at the cost of mutualism".

The district is admittedly a very large unit for local government to give people a sense of sufficient proximity. There may be sub-units of relative homogeneity within a district but they may not necessarily be co-terminus with the Taluks or the National Extension Service Blocks. The attempts of different State Governments to re-organize Extension administration either by abolishing the National Extension Service Blocks or by delimiting their areas afresh to make them co-terminus with revenue taluks might be considered as endeavours in search for building up units suitable for rural-urban integration. Referring to the unit of administration, Dr. Jacob suggests in his article that "the lowest unit of government should be a unit where it will be possible to provide a sufficient number of technical experts and general administrators of the requisite calibre. This unit may be at the block, taluk or district level or at some intermediary level". If this unit is organized at the Tahsil/Taluk level, it might, at some stage in future combine the services of Revenue and Extension administration and also result in some savings. It might also give functional freedom and viability in providing adequate financial resources and specialized services. A well-knit structure of services can then be linked up between 319 districts and 1,861 Taluks/Tahsils in the country. This may have been the logic for considering these areas suitable for the jurisdiction of Janapada Sabhas. But even the jurisdictions of Tahsils do not seem to follow any discernibly uniform principle of homogeneity which could mark them out distinctly as sub-divisions within a region. Ever since 1954, a new unit of rural government has come into being involving investments on buildings and infra-structures and various facilities in 5,152 National Extension Service Blocks all over the country. They have grown as focal points for providing goods and services to the people over a decade now as no other agency units of government ever did before. These units can serve as converging points for decision-making and decision-implementation. In fact, this is the fundamental principle underlying the scheme of democratic decentralization and it is this principle on which basic democracies of Pakistan and Panchayats of Nepal have also been organized. The Panchayat Samities have now been known

to people as units of "service administration" unlike the Tahsils which only savoured of "coercive processes". The arms and sinews of rural government should, therefore, get organically built into a system of well-knit and well-connected inter-relationship between the District headquarters, the Taluk headquarters and the Block headquarters in a mutuality of economic social and political interdependence rather than merely in political linkage of their different tiers of the structure through manipulations of local representation by direct and indirect elections and co-option. Then, there would be no steep break in the linkage between the Panchayat Samitis and the Zila Parishads nor would there be a dispersal of scarce resources on building infra-structures irrespective of the needs of spatial growth in specific areas. In the metropolitan region of Hyderabad, for example, there is a multiplicity of hierarchies independently co-existing and running parallely down to the village. Among themselves, these units can serve both as autonomous units of rural government and as agencies of State at their respective levels. To what extent and in what way can this be achieved in different local situations may be left to State Governments. A pattern of well trained, well supported and coordinated staff services can be built up to ensure inflow of goods and services in extra-regional and intra-regional sectors of this unit, they being left to do their line functions with sufficient measure of autonomy. The peri-urban areas constitute a *sui genre* in themselves and it will be necessary to improvise special arrangements to weave them into the structure of rural government and also recognize them as belts of special significance to merit special treatment correspondingly.

PERI-URBAN AUTHORITY

The question then arises as to whether we should have a separate peri-urban authority to deal with the problems which are characteristic of these areas or should the rural government be so formed that it takes into account the typical problems of these areas also. As has been stated earlier, the peri-urban areas are organically linked with relevant urban centres and their economy reacts and responds to the stimuli that emanate from urban focal points. By alienating the two, we would cut a part of a living organism because they serve and support each other like two halves of an arch. It appears logical, therefore, that the peri-urban areas form part of the relevant urban local governments so that the organic linkage between the two and the plans, policies and programmes concerning them both are balanced. This can be possible by taking the peri-urban areas into account while preparing the master plans of big metropolitan cities and their "impact zone". The local governments of these areas will then, have to be

invested with adequate resources, staff, and functions accordingly. Ideally, it would be good to have a unified system of local government for both urban and rural areas on the lines of the Janapadas. But the problems of big metropolitan areas are so highly complicated and localized that the need for having a special local government to deal with these seems to be inescapable. The unified system can, therefore, operate up to a certain point of growth of urban areas in the midst of rural surroundings. The linkage with the Zila Parishad and its over-all control, supervision and guidance may provide a continuity in rural-urban government and also those specialized services that cannot be maintained at a lower level. It might be possible to provide a special and separate administrative unit within the Zila Parishad to serve as a peri-urban authority for dealing with the problems of rapidly urbanizing rural areas within the "impact zone" of urban centres. This peri-urban authority, will, need to be organically linked with urban local government and rural government alike in its structure, institutionalized services, and functions. Such a peri-urban authority will then be enabled to fulfil the vision of a city emobodied in the UNESCO colour cartoon feature film on "Everyman"—a city-dweller—prepared for the WHO by the Hungarian film maker,[30] describing a huge city where "Everyman" lives in completely characterless surroundings. The sky is hidden from his view by a thick layer of smog. On his way to work, he squeezes successively into the lift, the tram, the underground, the bus, then plunges into the crowd, crosses streets where traffic lights flash at him and road signs confuse him. The film ends with a most optimistic note. The factories are removed to sites outside the city. Parks are laid out for children, apartments are insulated so that the screeching radios and record players are not heard and the traffic is kept out of the centre of the town. The city of tomorrow, would be quiet, clean and filled with sunshine. This is what can be achieved by a peri-urban authority and a rural government, which takes into account the ever-expanding needs of urban areas sprawling into their rural hinterlands as they may, sans plans and "sans mercy". Such a rural government which integrates rural and peri-urban areas with urban centres has a significant contribution to make towards national growth.

RURAL GOVERNMENT IN THE NATIONAL SYSTEM

In the modern, sovereign nation State, complete autonomy for local units of government is inconceivable, although the word is seen and heard in many places : smugly written into the laws of the land,

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[30] Gynla Maeskassy with the help of the WHO Adviser, Mr. Tedewz Mekerskassy, Sunday Standard, September 11, 1968.

beaten out on the drums of the party propaganda, and spun into the web of political theories. What then is the value in the concept of autonomy for us. It is an integral part of man's aspirations to freedom, basic in his quest for democracy, essential for internal stability and a strong defence against the evil designs of such unfriendly neighbours as we have. Local autonomy, in one form or another and in a relative degree is, therefore, a fundamental ingredient of a progressive nation.

The rural government plays a vital role in the general drive towards economic and social progress, towards welfare and democracy and towards attaining higher levels and standards of living for every one. They can decisively influence and hasten the progress of such programmes of national priority as family planning or improving agricultural production and livestock by disseminating and encouraging innovations. The Extension services can serve rural governments by educating the masses, by making them aware of new possibilities in life and by securing specialized services. It has to be positive, constructive, forward-looking and realistic. Its problems are new and, therefore, old solutions will not serve because never in history have there been such large and vast urban agglomerations in our country and their influence is penetrating the rural areas so that the ancient concept of the village as an isolated unit socially, economically, politically and in other ways is anachronistic.

In order that local governments are enabled to serve efficiently and effectively, the Central and State governments need not function as agencies for direct administration. They may set guidelines for local governments to function, inspect their administration, approve their budgets, audit their accounts, train their personnel and make uniform regulations for their progress. They may assume staff responsibilities for local governments in urban, peri-urban and rural areas, allowing these authorities to function with adequate measure of autonomy and concentrate on the line and functional services they can be enabled to render directly to the people.

The leadership in these units has to be of a very high order exemplifying, by personal example, the new values that are desired to be fostered and promoted democratically. "The democratic process either in government or in innumerable other organizations in which it may be used, depends upon leaders strong enough to maintain their ambition under its complexities, patient to endure its restraint, proud to be foremost among the free, humbly loyal to the humble, wise enough to seek service above the illusions of power in the long span of marching

events."[31] The leadership in rural government has to have the "dualism" of belonging to the masses by intimately knowing them, their potentials and limitations and also simultaneously transcending the masses in terms of catalysing progressive values of modernity, science and technology.

It would be advantageous for rural governments to concentrate on short gestation projects which do not involve too much of capital investment and protracted returns. Instances of such short gestation projects are schemes of agricultural development and rural man-power mobilization so familiarly characteristic of community development. The rural governments should, therefore, have a close and organic linkage with operation of such programmes as those operating in Intensive Agricultural District Programme areas and Intensive Agricultural area.

It has been found that the impact of politics on administration in the wake of "democratic decentralization" has become more visible and serious because conventions defining the role of politics at the rural local levels have not yet been established and the price of political interference is paid in terms of recession in development. But democratic processes serve as their own correctives and the only answer for democracy appears to be more democracy. Administration under Panchayati Raj has come to be known as a case of alienated and split performance. The Extension services harbour an injured psychology, a sense of loss of face—of power, authority and prestige. The institutional and administrative behaviour has tended to be competitively bi-model—more individualistic than integral, more against than for, more negative than positive. The personnel engaged are not keeping in step with the masses and the peasants whom they profess to serve. In his address delivered at Beirut, Dr. Ensminger referred to this phenomenon that "while the cultivators are making progress in moving from traditional to modernizing agriculture, India's personnel and administrative policies resist if not defy change."[32] It is aggravated by a duality of control by the parent departments and the legitimate authority of the adopted system. The need for a clear commitment of the Central and State Governments is imminent and forces recognition. Similar is the case with rural government and it is still not very late in the day that we wake up to do something about it. We need to strengthen the services of rural governments by clear statements of State policy and

[31] "Dilemmas of Leadership in the Democratic Process", Urbanization and Management : Selected Paper (Harward University Press), 1948, p. 50.

[32] *An Evolving Strategy for India's Agricultural Development*, by Dr. Douglas Ensminger, Representative in India, The Ford Foundation. An address prepared for the Alumni-FAS Symposium, Faculty of Agricultural Sciences, American University of Beirut, Beirut, June 3, 1968, p. 13.

by devising suitable ways and means to enable them to do the most they can rather than do the least they must. It might be worthwhile to create a unified Local Government Service for the State and have a Local Government Service Commission appointed as they have done in Ceylon. This could be merged with developmental and general administrative cadres at certain levels.

In sum, the process of urbanization is inescapable and irreversible in the present age of science and technology. It is spreading very fast and deep in the rural areas and unless adequate and effective measures are promptly taken to ensure integrated development of rural-urban sectors, it is likely that the gap that separates them may get widened beyond redemption. The rural hinterlands of urban centres throw up peculiar problems and demand special attention for dealing with problems characteristic of peri-urban areas. It is, therefore, necessary that master plans are made for metropolitan centres taking into consideration the entire impact zone of metropolitan regions. Since rural areas are organically linked with urban focal points, it is important that rural governments are so formed that they become instrumental in integrating rural and urban areas in a balanced reciprocity of economic and social growth. The rural government should facilitate acceptance of the spread-effect of urbanization and should be merged with general and developmental administration of the area. An arrangement of organic linkage of rural government and metropolitan and peri-urban authorities with district administration should be built up through institutional and statutory arrangements. The rural government units would be economical, efficient and effective if they were co-terminus with National Extension Service Blocks on the same lines as Janapadas. The size of the rural government unit for planning and implementation of programmes has to be viable and optimum in order to maintain specialized services and also has to be close enough to the people to give them the sense of belonging and the satisfaction of its access and proximity. Suitable local leadership is necessary to make rural government effective because professional and permanent services cannot provide that emotional fervour and intimate knowledge of local priorities as local leadership can. It is extremely necessary, therefore, that planning is done on regional basis taking into account the potentials and the problems of the region as a whole. The problems of suburban and peri-urban areas are peculiar and, therefore, merit specific attention and an integrated effort of local urban government and rural government. The rural government has a vital role to play in promoting and strengthening national development and it needs the support and commitment of national policy.

LOCAL ELECTIONS AND POLITICS

C. B. Rao

The persons I pity
who know not the city

—*W. J. Prowse*
(The City of Prague)

The axis of the earth sticks out visibly through the centre of each and every town or city.

—*Oliver Wendell Holmes*
(The Autocrat of the Breakfast Table)

WHAT do we mean by the word 'politics' when we use it in connexion with civic affairs in general and municipal elections in particular? What do we mean by it in connexion with national affairs for that matter? It is hardly necessary to say that in neither context do we ordinarily use that word in any other sense but that of 'party' or 'group' ambitions, plans and programmes. It has indeed come to acquire something of a pejorative sense, a disagreeable odour, and one is not surprised in the least when one finds that those who are looked upon as the most skilful players are often the very people who disclaim all interest in the political game.

So far as local elections are concerned there are really very few who do not say that they should be kept clear of party politics. What, they ask in holy horror, have municipal elections to do with politics? What the citizens want is a clean and healthy city to live in, well-maintained roads to travel by, well-kept gardens to stroll in, well-run-dispensaries, well-conducted primary schools and so on and so forth. What does it matter to what political party your mayor or your ward representative belongs so long as he is doing his civic job well? There is obviously no flaw in this reasoning, nor does anyone bother about finding one. Everyone agrees with everyone else, none has any use for politics in municipal affairs—and none does anything about it. Politics continues to dominate municipal affairs and seems certain to go on dominating them for as long as municipal institutions exist.

It is indeed pointless and futile, all this discussion about the desirability or otherwise of politics entering into municipal matters. If group interests must clash, as they cannot but, in the process of running civic affairs, some sort of *politics* must needs enter into the picture. Elections, to mention but one of the many obvious spheres of group contest, cannot be fought without some kind of organization wherein labour and responsibility are shared. The incentive for the sharing of the labour and responsibility is provided by the prospect of sharing in the glory of eventual success and the profits accruing therefrom. Thus it is inherent in the system itself that candidates, their supporters and their opponents should organize themselves into groups or cliques, and this is the right soil and climate for the growth of what we know as 'party politics'.

If people who want to take an active interest in municipal affairs must organize themselves into groups in order to be effective and to achieve something, they must have some common interest, ideology or purpose which should bring, and having brought keep, them together. In civic affairs there are several matters which can bring persons together, and these matters are usually matters of common interest connected with the city. Thus, people living in the same part of the city, whatever their other differences, would tend to react alike to something that affects them similarly. But there may be other matters, matters which affect some and do not mean a thing to others, matters which appear to some to hold a bright promise of further prosperity while some others may be frightened at the thought of what dire consequences might follow if these were not checked in time. When these matters come up something other than common neighbourly interests are needed to bring people together. Over a long period of time, during which all manner of questions come up for consideration, one is bound to feel the necessity of some sort of standing arrangement with others whereby each may bank on the support of everyone else, no matter what the point at issue. For without such an arrangement everyone would be an entity in himself, anchorless and without an ally. On every single question that might come up for consideration one would be under the necessity of finding supporters *ab initio*. The precariousness of such a situation can easily be appreciated. One learns early enough the necessity of having a permanent, reliable alliance. The question, therefore, has to be faced : What should be the basis of such a permanent alliance?

The answer to the unavoidable question is a ready-made one. Since outside the municipal forum there already exist well-knit organizations which are used to functioning as a body, the natural tendency

is to imitate them or, better still, to draw them into municipal affairs. The advantages are obvious. Political parties are relatively powerful groups and it is clearly better to be a member of a powerful group than to stand alone. Moreover, as bitter experience has shown to many who did not realize it earlier, non-political *ad hoc* associations are incapable of maintaining their integrity over a period of time. A certain measure of discipline is necessary if a group is to function unitedly and effectively, and this kind of discipline cannot be wholly imposed upon members by authority. Some of it must be voluntarily accepted. And the incentive for voluntarily accepting curbs on one's freedom can only be supplied by one's confidence in the worthwhileness of such voluntary acceptance of these curbs. If one subordinates one's wishes to the dictates of a larger group one expects that the larger group will stand by one when the need arises. This kind of confidence can only be created among members of a large group which expects to and does in fact share experiences and acts in unison over a longish period of time and in diverse spheres and directions. That is where well-established political parties have a distant advantage over sundry, *ad hoc* combinations which arise and fall every now and then. Moreover, since men must needs combine not only to fight but also to plan for the future, it is probably better that they combine on the basis of political beliefs than on any other basis. For, the obvious non-political basis for such combinations would be caste or religion, and therefore political combinations are infinitely healthier.

Politics today casts its shadow well-nigh on every sphere of individual as well as social life, and as the concept of the welfare state grows and more and more of what we think and do becomes the concern of the state, politics must wield influence our lives still further. It is, I am convinced, as inevitable as it is desirable today that municipal elections should be fought on the basis of (party) political alignments. I say it is desirable because if alignments on this basis were to be ruled out, other kinds of alignments are certain to take their place, and I am sure they will all be infinitely worse. There will, of course, always be 'independents' in the field—I was one myself—but these 'independents' will immediately be drawn into one or another of the 'political' camps once they are in. The difference between them and the regular, full-fledged members of the camp into which they get drawn will be that whereas the regular members may be described as persons fully and 'generally' committed to toe the party line, these 'independents' will be committed only 'particularly', on specific issues. The group or party leader may rely on the regular members of his team always to speak and vote as desired, but he will have to woo and win

over his 'independent' associates each time afresh. In actual practice it is not as bad as all that. Generally the 'independent' members of the camp prove almost as docile and dependable as the regulars, but a watchful party leader knows better than to take them for granted.

In the choice of candidates political parties take all manner of things into consideration. Ordinarily the candidate chosen is considered to be the one likeliest to win, among all those under consideration. But it is not very rare to find a political party selecting a candidate whom none expects to win, not excluding themselves. That is because in the eyes of party bosses it is sometimes more important that the recipient of the 'party ticket' should be acceptable to the party than that he should prove a good candidate. Such cases are not quite as rare as one might think they would be. Ordinarily, too, political parties give their 'tickets' to regular and tried members of the party, though fairly frequently the candidate chosen is one who is relatively a new recruit to their ranks. Such choices usually mean but one thing : the person chosen is expected not only to win the municipal election but afterwards to become an active and valuable asset to the party—either as a donor of funds or as an active worker and organizer. No political party, as far as I have been able to find out, finances the election of any of its municipal candidates. Therefore, the ability to pay for his or her own election campaign is an important consideration in the matter of choice of candidates.

An unfortunate feature of selection of municipal candidates by political parties is that they tend to pick their men with an eye on the caste to which they belong. Whatever party leaders may say in public the ugly truth is that casteism is fed, fanned and encouraged by political parties because of their giving so much weight to caste in selecting candidates. I do not suggest that caste is the most important consideration. That it neither is nor can be. But that it is all the same an important consideration is, I am sure, a fact which none can honestly deny. However, even in this respect, I think, it is better that elections be fought on party lines because otherwise caste might become basis of group formations.

As already stated, the biggest advantage in fighting an election which a party candidate has over his unattached opponents is that he has a whole band of workers ready to use whereas the unattached independent is usually his own most active worker. Also, party candidates can usually bank upon some solid party votes while independents have to earn each vote they get. The thing cuts both ways, for party candidates must needs forfeit some votes which they might

have gained as individuals. For, just as there are men who will vote for a party, no matter who the candidate, so also there are those who will definitely cast their votes against a particular party's candidate, no matter how suitable they may privately consider him to be. Independents who fight their elections unaided are also unhampered.

The biggest drawback from which political parties suffer is that they can seldom put up two likely sinners in one constituency. Double-member constituencies, as we have in Uttar Pradesh municipal corporation elections, operate to the disadvantage of political parties, principally because candidates usually find it too difficult to resist the temptation of canvassing exclusively for themselves rather than for their running mates as well. During the last corporation elections in Allahabad, for instance, out of twenty-seven double-member wards there were only two from which *two* candidates belonging to the same party were elected.

Of actual politics there is, of course, little scope in local elections. Local bodies do not discuss political subjects, *ergo* true politics fall outside their legitimate province. But during municipal elections, due to the clash of opposing political parties, fairly free exchange of thought takes place. The advantage of such free exchanges is that municipal elections serve the purpose of showing us which way the wind of public opinion is blowing. Municipal elections are not always or necessarily reliable guides in this respect, but they are not by any means entirely without value. No political party really brightens or tarnishes its public image by the behaviour or performance of its representatives in a municipal body, because no political party as such comes into power in a municipal body in the sense in which it does at the state or national level. Still, and despite the fact that the power of elected members of a local body to do good or ill is severely circumscribed, it is an undeniable advantage for a political party at the time of the general elections to be safely entrenched in a municipal corporation.

MUNICIPAL PERSONNEL ADMINISTRATION

R. N. Chopra

MUNICIPAL administration of a city or town is intended to perform services, without which people under conditions of mass living cannot exist. Depending on its financial resources, a safe water supply, adequate disposal of sewage and waste, storm-water drainage, protection of public health, pucca roads, a minimum standard of 'liveable' houses, provision of education, regulation of buildings and property, etc., these are some of the minimal services which must be arranged by it not only to justify its own existence but also to make the city life tolerable and free from health hazards. Whether the city has grown fast in size because of industrialization or because it happens to be the seat of Government, or for any other factors leading to quick urbanization, its administration must take interest in creating environmental conditions for its citizens, conducive to healthy living, which should help attain the highest productivity in industry, commerce, services and other activities. Not only that : the city administration must perform reasonably well, in order to maintain the autonomy of the city.

The provision of adequate city services is possible only through a well-recruited, well-trained and well-organized municipal personnel. Theoretically, it should be easier to organize and control such an agency since it will be concentrated in a small compact area of 20 or 25 square miles, the supervision of which should be a comparatively simpler task. But it has to be remembered that the administration of city services is not carried out by automatons. It is performed by individuals employed by municipal government. To obtain the properly trained person, to motivate him correctly, to give him the incentive to make municipal employment his career, so that he contributes his best to it, in short to make his service conditions attractive—these are the tasks which the personnel administration wing of the municipal government must accomplish. The extent to which it is successful in doing so, will largely determine the level of effectiveness of municipal administration as a whole.

With 'personnel' costs now at the point where they absorb approximately half of the municipal budget, personnel management is not,

and cannot be, solely the province of the personnel wing of the city administration. Everyone from the top down, to some degree, has to share the responsibility for the management of personnel. It is important not only to maintain their morale, but to keep them in discipline and not undermine the chain of command at various levels. If, in a city administration, the functions of the deliberative wing and the executive wing are clearly defined, the former should hesitate to act in a manner which will create difficulties for the latter in enforcing its authority and discharging the responsibility given to it under the law.

In the last analysis, sound municipal administration depends largely on the quality of staff attracted to it and the extent to which their talents and capabilities are enlisted in the support of desirable municipal activities. It is the human equation that is the foundation of all personnel management in any organized activity. To spur the personnel to the outward limits of their potential is a task that should concern the municipal administrators at all levels.

In a country like ours where unemployment or under-employment is intense, where economic standards are low and the educational system has not yet caught up with the latest trends in job requirements, the emphasis on "public service" is extremely important in the public eye. It not only gives a security in life but what is more material in this country, it provides a status, prestige and a white collar. The result is that there is a great pressure on recruitment, with a consequential tendency towards nepotism and favouritism, in spite of the frame-work of rules and regulations governing such recruitment. This tendency is more pronounced in the local bodies.

Job opportunities still lagging behind the supply of "qualified" candidates, the employing agencies have to watch out for the availability of resources and there is hardly any urge to step up the pay-scales, except to the extent it may be necessary on account of pressure of the trade unions. The general standard of living being still pretty low—arising out of the G.N.P. of the country—it would, in any case, be incongruous if a particular employer—say a local body—chose to go beyond the prevailing norm of salaries and emoluments. The 'ideal' employer obviously cannot exist in a vacuum and in the very nature of the prevailing situation, the pace is set by the Government—at the all-India or the State level—and a local body can, at best, introduce only marginal improvements in working conditions of its employees, assuming its financial condition is sound to meet the expenditure.

All the same, apart from rules and regulations governing the recruitment policy of local bodies, it will be desirable to have Municipal

Public Service Commissions appointed by Government—at the State level for the Municipalities within the State and at the Corporation level in case of big-sized units, and if there happen to be more than one average-sized Corporations in a State, a single Commission for all of them, or for a group of them. The reason behind this suggestion is that in the case of local bodies, the recruitment should be done by an independent agency, away from the influence of officials who in turn cannot be immune from the political pressurization of the politicians in authority.

The employer—the Local Body itself or the Municipal Public Service Commission acting on its behalf—must advertise properly for recruitment, so as to attract the best available material. There will, of course, be no need to organize a 'selling' campaign for it, for reasons already stated. Of this, more later.

LOCAL GOVERNMENT PERSONNEL SYSTEMS

There are the following three broad types of local government personnel systems prevailing in India today, sometimes one in combination with the others :

(*a*) A *separate personnel system* in which each local authority appoints and administers personnel who are not automatically transferable to another jurisdiction.

(*b*) A *unified local government service* in which all or some categories of personnel of local authorities constitute a career service for the entire State. It is administered and controlled by an agency at the State level and the personnel is transferable between local authorities only.

(*c*) An *integrated service* in which the personnel of the State Government and those of the local authorities form part of the same service and transfers are possible not only between local authorities but also to appropriate Departments of the State Government.

Different Municipal Acts or Corporation Acts prescribe different sources of recruitment for securing personnel of various categories. There has, however, been a growing tendency in recent years not only to lay down rules and regulations about qualifications, pay-scales, recruitment, promotion and disciplinary proceedings, etc., but also to constitute State-wide cadres of municipal services. The principle

underlying such cadres has been accepted by and large and some of the State Governments have already taken concrete steps in this direction.

Separate Personnel System

A separate personnel system has no doubt been successful in some foreign countries like the U.K. and Japan where there is a tradition of local autonomy and the local authorities have been able to offer suitable conditions of service to attract competent personnel and retain them in service. Factors which have contributed to its success include "the existence of natural laws laying down the standards, enforcement of the merit system, common pension system facilitating movement of personnel between local authorities, high standards of salaries and conditions of service generally at par with national standards and the existence of supervisory agencies at the national level, professional organizations and training Institutions". But such a system cannot function successfully in India in the present conditions. Not only the size of most of the local authorities is comparatively small and the resources available to them to sustain a well-recruited and well-paid staff are scanty, but even if their size was big and the resources were plentiful, the local body, acting through some committee of elected representatives, would hardly be a suitable agency for the selection, and for exercising administrative and disciplinary control over the employees, especially of the higher category posts. The aspect of unemployment and under-employment prevalent in our country has already been referred to. Fortunately the selection is generally not done by such a committee in the bigger Corporations in India, but is left to the respective Public Service Commissions. At the same time, however, the control and discipline of higher echelons of the service rests with the elected representatives and there is no doubt that administrative standards are bound to be undermined when the question of punishment or removal of senior employees is to be decided by the vote of the Council. This has promoted nepotism, political pressurization and a feeling of insecurity among the municipal services.

Even under the best of circumstances in the country, a separate personnel system in a big sized local body—say a Corporation—has, even when pay-scales are satisfactory and selections are made by an agency like the Public Service Commission, failed to attract the administratively and technically qualified recruits to enter the Municipal services and if they do so it is often as a stepping stone to service elsewhere. This is mainly because of the very difficult conditions

of work, relative insecurity and lack of necessary prestige of post under the municipal authorities. Generally speaking, it is the conditions of work which put one off after a short experience of life in an elected local body. The elected representatives, by and large, are fond of throwing their political weight about even in administrative matters and will not desist from interference in day-to-day work, in favour of their "official clients" and voters, and even go to the extent of pressurizing the officials in their favour, with the sanction of the threat of criticising their official conduct and performance in an open meeting of the House, and obstructing their promotion or extension cases publicly in the meetings. How many officials can really resist such threats and pressures? If the elected representatives choose to throw their sense of proportion, decency and fair-play to the winds, for the sake of short range gains locally, are not amenable to social or group discipline and are not ready to discharge their responsibility in a manner expected from them—the effect of all this on the administrative machine is not only devastating in the short run, but also creates an atmosphere where the official does not and cannot give his best to the employing body. Efficiency and integrity are the worst victims of such a situation in the short as well as the long run.

A vicious circle thus gets created. For lack of an efficient and fearless administrative machine, the local bodies give a poor performance of their activities and show a hopeless inability to take up works of improvement and development of the city. This poor show militates against the process of democratic decentralization in the urban areas and can—and does—lead to the reverse process of an increasing assumption of tasks relating to urban areas by the governmental departments and agencies—in some cases even to supersession of the local body itself. In such situations, there is no question of giving added functions or authority to the local bodies which cannot give a satisfactory account of their performance. And yet there is a clamour for more powers on the part of the elected representatives ! May be such a vicious circle has to come about in all developing countries which have decided to develop in a democratic way and adopted the entire paraphernalia of a democratic decentralization process to manage their local affairs. But this circle must break, sooner or later, one way or the other. Apart from the adoption of other organizational gadgets, to which we shall soon revert, the final answer perhaps is the coming into premium of a sense of social discipline and personal responsibility on the part of elected representatives in dealing with men and affairs coming within their purview. In the meantime, democracy at the local body level must suffer from the

same—if not bigger—failings and shortcomings as at other levels in the country.

Unified Local Government Service

A unified local government service would mean setting up of State-wide cadres of municipal services by the State governments. The possible objection to this alternative could be that it acts contrary to the idea of local autonomy and some of the local bodies may not have the financial capacity to pay for such services. On the other hand, transferability would ensure the availability of staff to lower grade municipal authorities in the first instance and opportunities through promotion to higher level local authorities who thus get the benefit of experienced officers to build up gradually the capacity to undertake higher responsibilities. The benefits derived from the employment of well-trained qualified and adequately paid staff, in the form of better revenues and efficient administration of civic services, will more than counter-balance the seemingly extra expenditure. The State Governments can subsidize, where necessary, the salaries of some of the officers, belonging to the State Cadre and posted to small-sized local bodies. The State Governments can hold consultations with the local bodies while posting individual officers. There could also be a provision for the recall of an officer if demanded by a substantial majority—say, two-thirds of the elected members of a particular local body.

The Rural Urban Relationship Committee (RURC) has recommended that in the initial stages posts equivalent to those of Gazetted Officers in the State Government should be included in the State Cadres and broadly grouped as under :

(*a*) *Administrative Service*—Municipal Commissioner and Assistant Municipal Commissioners, Executive Officers or Chief Officers, Secretaries, Revenue Officers and Accounts Officers.

(*b*) *Engineering Service*—Municipal Public Health and Water Works Engineers & Town Planners.

(*c*) *Medical & Health Service*—Health Officers and Medical Officers.

(*d*) *Education Service*—Education Officers, Superintendent of Education and Heads of Higher Secondary Schools and Colleges.

Some State Governments have included subordinate administrative staff to the level of a Head Clerk and technical staff to the level of Overseers and Sanitary Inspectors in the State Cadres also. It is desirable to have comprehensive State-wide Cadres but the first step may be the one recommended by the RURC.

Integrated Service

It would be more convenient and advantageous to have combined integrated services for Municipal Engineers, Town Planners, Medical/Health Officers and other technical posts. The ultimate aim may be that, but it would be desirable, in the first instance, to bring all technical personnel in local bodies under unified Engineering, Medical & Health Services. The committee set up by Government of India on the Service Conditions of the Municipal Employees has recommend as under :

> "While in the initial stages the State Governments may take recourse to unified or integrated cadres for various categories of services in the light of the circumstances prevailing in each state. the ultimate objective should be to integrate municipal services in order to ensure that the personnel available for municipal employment would have the desired competence and prestige enjoying appropriate conditions of service."

As a practical measure, it would be desirable if the posts of the :xecutive head of the local body and other Class I jobs including Heads)f Departments, belong to an integrated Cadre of the State and holders)f all Class II posts come from a centralized State Cadre of local)odies, leaving all Class III and Class IV posts to be manned by perons selected and appointed by the local bodies themselves. Aveıues of promotion to the holders of lower class of posts to higher ›osts—provided they fulfil the requisite qualifications and experience— ʻill have to be suitably prescribed. Such a measure will not only ›rovide the best conceivable compromise between the requirements ›f efficiency and integrity on the one hand and wider experience in the .eld on the other, but also leave enough scope for the exercise of local utonomy and initiative with the local body. Of course, a lot of etails will have to be worked out to give a well-defined shape to this ery practical proposition. The suitable existing personnel holding 'lass I and II posts will have to be fitted into the new arrangements.

SERVICE CONDITIONS

No one will question that the service conditions of local body nployees need considerable improvements in many respects, with

the object of ensuring an efficient and effective administrative machine for the conduct of the affairs of local bodies. It will be quite in order to recommend that their pay-scales should be fair and adequate, having regard to the duties and responsibilities of various posts, and the emoluments of municipal employees of various classes and grades should be in keeping with those of the *corresponding* State Government employees. The posts under the local body will have to be suitably equated with those under the State Government. Such an exercise should not be difficult. Many precedents will be available from the exercises done at the time of integration of States in the country since 1947.

It would be convenient if the encadred personnel (whether belonging to Class I in the Integrated Services of the State or to Class II of the State-wide Unified Cadres of local bodies) draw their salaries direct from the Municipal Fund, which will also pay the proportionate pensionary and leave contributions to the State Government who will control these Cadres. In the case of Class III and IV employees, the entire account will be maintained by the local body itself. This will help in the identification of the loyalties of the staff in the local Government agencies.

Those belonging to the Integrated Services (Class I) will be entitled to pensionary advantage, whereas those belonging to Unified State-wide Cadres (Class II) will get the benefit of contributory provident fund. The latter should be admissible to Class III and IV posts also. There would be no burden on the State exchequer in maintaining these Cadres for Class I and II, since the local bodies will be making proportionate contributions. The centralized regulation and control of these two key classes of municipal service will inspire greater confidence among the top personnel and to some extent enable them to act independently.

In the case of transferable personnel, it will be necessary that the local bodies should provide adequate housing facilities for them so that transfers may be facilitated without creating difficulties of accommodation.

RECRUITMENT

Direct Recruitment vs. Promotions

An essential pre-condition of a contented career service is the built-in opportunity for promotion to position of higher responsibility. Broadly it would be desirable to prescribe that about 50 per cent promotions to Class III and II should be from departmental candidates

(with some exceptions here and there in the case of specified posts), the remaining 50 per cent coming from direct recruitment. The exact percentages should be worked out with due care after taking into account the strength of the lower cadres, with a view to ensuring fair chances of promotion to higher grades. In the case of recruitment to Class I posts of *integrated* State Cadres, the holders of Class II posts in the *Unified* State Cadres should also be brought within the range of eligibility provided they fulfil the minimum qualifications required for the higher posts. The details of these arrangements should be worked out in a manner that the opportunities for promotion are such that all entrants to municipal services could, with merit and qualifications, can aspire to the highest positions in the hierarchy.

In the case of recruitment to Class III posts by the local body, care should be taken that the holders of Class IV posts, if they possess the minimum requisite qualifications, are able to get promotion to the higher class, in keeping with a prescribed percentage. For recruitment to Class III and IV, the claims of the dependents of deceased or retired local body employees, with requisite qualifications, may be considered on priority, but keeping within a defined quota. The claims of Scheduled Castes candidates, in initial recruitment and promotions will naturally be governed by the policy laid down by the Government of India or State Governments from time to time.

ACTUAL RECRUITMENT

Subject to what has been suggested above, recruitment to Class I and II posts will be made by the State Governments concerned, through the agency of their respective Public Service Commissions. For Class III employees, Municipal Public Service Commissions should be set up, jointly or severally depending on the size of the local bodies, as suggested earlier in this article. Not only cases of direct recruitment but also cases of promotion of Class III employees should be brought within the purview of these Commissions. Cases of 'major' punishments may also be referred to them for approval. Class IV employees should be recruited by the concerned Heads of Departments in a local body in keeping with the recruitment regulations to be prescribed by the Municipal Public Service Commissions. Such references in the case of Class I and II employees will naturally be made to the State Public Service Commissions.

Insofar as Unified State Cadres are concerned, there are different opinions about the legality or desirability of having a separate Municipal Services Commission. The balance of advantage from all angles,

will lie in using the existing machinery of the State Public Service Commissions. This step would give to the Municipal Class I and II Cadres a status and a prestige comparable to those of the Traditional State Government Cadres.

It should not be difficult for the State Governments to define precisely what specific posts in a particular local body should be included in the four Classes I, II, III and IV. Broadly these classes will relate to :

Class I Higher administrative and technical posts (supervisory, policy & control)

Class II Lower administrative and technical posts (supervisory, policy & control)

Class III Clerical and field administrative and technical posts

Class IV Others

DISCIPLINARY CONTROL

In respect of Integrated Cadres and State-wide unified Cadres, the disciplinary control and ultimate powers regarding appointments, postings, grant of long leave, etc., must rest with the State Government, who should set up a Directorate of Municipal Administration (or local bodies) to take care of all personnel matters. The local authorities should be consulted, as far as possible in the matter of postings and it should be incumbent on the State Government to transfer a person if so required by a vote of two-thirds of the total membership of Municipal Council. In cases, where the political head of the local body has a defined responsibility at the executive level, the authority should be given to him to write the annual confidential reports of Class I employees, subject to review by the State Governments. Such a step would be desirable in the interest of discipline and loyalty; it would also enable those political leaders to take up responsibilities at higher levels later on. Such an authority cannot be denied to them legitimately. In local bodies, however, where the executive authority vests entirely in the top official head, the political 'boss' should not be allowed to write the annual CRs ; nor should their elected members be permitted to criticize the officials by name, on the floor of the House. In fact, a "Code of Conduct" should be prescribed for them to avoid such open criticism of official conduct, which if indulged in, would only undermine discipline, morale, efficiency and neutrality of the officials.

In cases of Class III employees, the powers of disciplinary action should vest in the local bodies, who should consult the Municipal Public Service Commission, in all cases where major punishments are proposed to be inflicted. In respect of Class IV employees, the disciplinary control should vest in the head of department and appeal against punishment or representation against adverse remarks should lie with the executive head of the local body.

NEED FOR TRAINING

There is a great need of providing training facilities for all categories of employees of municipal bodies at all levels. Departmental rules, regulations and instructions should be available to them in the shape of a manual which should be brought up-to-date at prescribed intervals. A brief course of in-service training to selected categories of officials would be very useful. At higher levels full advantage should be taken by the local bodies, of the training facilities available at the Centre for Training and Research in Municipal Administration, started by the Indian Institute of Public Administration in Delhi. The establishment of such centres at the regional levels in the country should further help to promote such training.

Whereas the training of municipal employees—in-service as well as refresher courses—is absolutely essential, it needs to be emphasized that arrangements should be made also for the orientation of non-official members in municipal laws, organization, finance and administration from time to time. To begin with, seminars and conferences should be organized at the State and Central levels for the exchange of ideas and experiences between the officials and the elected members.

STAFF RELATIONS

The report of the Rural Urban Relationship Committee (June 1966) gives the following comment on this vital subject :

"The Courts have declared that Municipal bodies and their various establishments are subject to the provisions of the Industrial Disputes Act. In recent years, large numbers of organizations of municipal employees have sprung up but their activities are not always confined to service conditions. The question of employer-employee relations in Government services has been engaging the attention of the Central and State Governments. It is high time the local bodies do the same. The Committee recommend that the position of the Municipal Employees *vis-a-vis* Municipal

authorities should be regarded on the same footing as that of Government servants in relation to Government."

Whereas the major disputes between the local bodies and their employees will have to be settled out in accordance with the procedures prescribed under the Industrial Disputes Act, it is advisable to have a whole-time Labour Welfare Officer in each local body whose main job should be to attend to the grievances of Class IV employees, as soon as these are raised as an issue. The situation becomes difficult if no attention is paid to them in the very first instance and experience shows that many of the points of difference or grievances can be resolved, given the goodwill and a spirit of give-and-take on both sides, before the resentment on the side of employees or neglect on the part of employer is allowed to build up. Differences can arise with the unions of Class III employees also; in their case it will be advantageous to have joint consultation committees to settle those differences as far as possible. The trouble mainly will be with the 'mushroom' unrecognized Service unions which are headed by unscrupulous leaders from the Service itself or from outside. Some of these leaders are in the habit of sponsoring trouble with a purpose, *viz.*, to sustain their own leadership and to raise funds off and on from the members, not only for the benefit of the union but also for their personal gain. Such leadership should be dealt with very firmly.

Last but not least, it is very important for the purpose of maintaining a healthy relationship between the employer and the employees of local bodies that the superannuation benefits should be given to the retired employees without delay. That will not only imply the maintenance of leave and G. P. Fund accounts of the personnel in a proper shape and up-to-date but the gearing up of a machinery to finalize the cases, including the leave and gratuity account as soon as possible on superannuation. It need hardly be said that salaries and arrears of pay and allowances should be paid punctually, whatever be the other pressures on the usually lean finances of the local bodies.

CONCLUSION

As stated at the beginning of this article administration of the city services is not carried out by automatons but by a properly recruited trained and contented service personnel. This pre-condition of an efficient administration in a local body bears repetition. Service conditions must be made satisfactory; personnel should be handled with sympathy and imagination and the top executive, may he be an official or a political boss, must know the art of man-management.

Discipline must be maintained at all costs and the authority of the official leadership at all levels should not be allowed to be undermined under any circumstances. If the responsibility to run the executive wing is that of the official head of the Municipality, the political wing should show adequate restraint not to criticize the officials unnecessarily, with an eye on political gain.

In the ultimate analysis, it is the individual worker who counts and makes a positive contribution to the well-being of a group of people coming within the range of his activities. He may be an employer or an employee; he may belong to the political or the executive wing; he may belong to Class I, II, III, IV or to any service cadre—it is ultimately his selfless effort and contribution that will make a dent into the low standards of living or the facilities available for giving one's best to the development of the nation. The individual must rise above the self-interest and must give his best to the employer who pays him a salary. And the employer must know the art of getting the best out of his employees by setting a personal example of hard-honest work and fair dealings. The leadership at all levels—official or political—must not let grass grow under its feet but get on with the job to the utmost ability and with the best of motives. That leadership must shed that little 'light' which alone can really influence people around it, into the making of a society of the type we all aspire for. The future of Municipal Personnel Administration will also depend on such a leadership.

FINANCING MUNICIPAL SERVICES

Abhijit Datta

IN the context of growing urbanization and the ever-widening gap between the desired and the existing level of municipal services in India, a discussion of the problems and prospects of municipal finance becomes meaningful when this is preceded by a general consensus about the exact role and functions of the urban local bodies in the total governmental system of the country. Such a consensus unfortunately is hard to come by and the need for decentralized decision-making is neither clear to a society used to authoritarian rule nor to the upper-tier governments inheriting the legacies of colonial administration. Failure to face this basic *political* issue in the post-Independence attempts at reorganization of urban local government have led to contradictions between goals and recommended measures aimed at tightening of checks and balances in local decision-making process. This is paralleled by attempts at taking over local authority functions either through outright centralization or creation of special purpose bodies and State undertakings. Erosion of local functions is invariably followed by erosion of local revenue, so that the degree of discretion and flexibility in local fiscal policy approaches almost vanishing point. On the other hand, due to the somewhat ambivalent role of the urban local government, its transformation into an institution for development has not taken place. Even today, the basic municipal structure of the country remains the same as that created by Lord Ripon in the 1880s, which was primarily conceived as : (*a*) means of political education for the growing intelligentsia of the country, and (*b*) providing relief to the Imperial exchequer. This stands in sharp contrast to the experiments in the field of rural *panchayats* where attempts have been made to sustain local development through the external stimulus of plan assistance, but without the internal resources necessary for maintenance of gains already achieved.

Much of this confusion with regard to local government stems from the misunderstanding of the role of the States themselves. Local government can be vigorous only when the State governments assume the role of a senior partner and not a competitor in local development. In the absence of a clear-cut demarcation between State and local functions—which is not a mere theoretical concept but also,

operationally, a feasible proposition—and the willingness of the States to delegate authority and devolve functions and finances, it is unrealistic to expect that the urban local governments will be able to face the challenge of urban development.

It follows that in any discussion of local government finance, it is necessary to assume a few propositions clarifying what local government is for and what is expected of it. For the purpose of clarity, the following value-premises are advanced :

(*a*) It is assumed that local government institutions are politically responsible units, and within the sphere of their activity, these are fairly autonomous;

(*b*) It is further assumed that the higher-tiers of governments—State and Central—would increasingly devolve functions and resources to the local governments in order to discharge their responsibilities to the fullest extent; and

(*c*) It is also assumed that the increased responsibilities and the freedom of decision-making by the local governments would accompany a large measure of financial autonomy, away from dependance from the external sources, such as the State and the Central governments.

The attitude of the Central government *vis-a-vis* the local authorities is of considerable importance in a federation which assigns the most productive revenue sources to the Centre, and the responsibilities for social services and overheads to the States and the local authorities. This problem is accentuated by the operation of planned development of the country so that not only the Central government has to take care of the financing of State plans, but also the local planning efforts *via* the States. It is possible that in future this will be formalized by increasing the statutory base of revenue devolution to the States. It would be unfortunate if the needs of the local authorities are disregarded—as happened in the case of the Fourth Finance Commission's award—and funds are not earmarked for urgently needed local projects, such as water supply and sewerage, transportation, housing, and so on, both for initial development as well as for their proper maintenance.

It is instructive to recall the reason for the built-in imbalances between functions and resources in our governmental system; the lower the unit in the hierarchy, the more adverse the relationship.

The rationale of this disequilibrium is that it is easier for the higher-level of government to correct the fiscal imbalance of the lower units through grants and appropriate tax-sharing, rather than for the lower-levels of governments to pull their surplus resources together to subsidize the higher-level of government. It is on this ground that income tax was centralized under the Government of India Act, 1935. What is true of Centre-State financial relations, holds equally true at the State-local level.

In this paper application of certain norms and criteria developed since Independence to streamline Centre-State fiscal relations to the neglected field of State-local fiscal relations has been tried to see how far the States themselves have meted fair and imaginative treatment to the local bodies which they expect of the Centre. Next, we would concentrate on the purely local sources of revenue and see to what extent there is a possibility to intensify their utilization and what alternatives exist to put the local governments on sound financial footing.

Before embarking on these substantive areas, it is useful to highlight the present performance of the urban local bodies with regard to the financing of various functions and the extent of 'gap' between their finances and the desired level of services.

In the last section, the main scheme of reorganization of municipal finance to deal adequately with not only maintenance of local services, but also substantial improvements and creation of new facilities for urban development has been summarized.

LEVELS OF MUNICIPAL SERVICES

Information on the levels of various municipal services obtaining in different parts of the country is hard to come by. Most of the available information is in terms of municipal expenditure on different heads of activities and provides no clue as to their performance in physical terms. Recently, the Rural-Urban Relationship Committee (RURC) (1966) collected detailed information regarding conditions of municipal services in seven representative towns from seven different States, *viz.*, Tiruchirapalli (Madras), Ludhiana (Punjab), Guntur (Andhra Pradesh), Mangalore (Mysore), Malegaon (Maharashtra), Shahjahanpur (Uttar Pradesh), and Monghyr (Bihar). The findings are summarized in Table 1. The general conclusion of the RURC on the level of municipal services obtaining in the seven selected towns runs as follows :

"It is obvious that in these towns, which happen to be Class I excepting Monghyr, with moderate financial capacity and resources,

TABLE 1

Levels of Municipal Services in Selected Towns

	Town (State)	Economic base	Population 1961	Municipal revenue (per capita) Rs	Levels of Municipal Services 1962-63								
					Water Supply	*Sewerage & Sanitation*	*Health*	*Medical*	*Education*	*Public works*	*Utilities*	*Master Plan*
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Tiruchirapalli (Madras)	Regional distribution, commerce	2,49,862	17·93	18 g.c.p.d.	No underground sewerage, rudimentary sanitation	Strengthened preventive units	Improved maternity services and general facilities	Free & compulsory primary education. Second major activity	Concerned with roads only, improvements gained	No generation or distribution of electricity. Inter-city transport with the State or private sector	Under preparation; no interim regulation for controlling haphazard development
2	Ludhiana (Punjab)	Small industries: hosiery	2,44,032	19·33	16 g.c.p.d	-do-	-do-	-do-	State function	Improvements gained in road facilities	-do-	Prepared, but lack of effective enforcement
3	Guntur (Andhra Pradesh)	Regional distribution, commerce & industries	1,87,068	21·66	19 g.c.p.d	-do-	-do-	-do-	Free and compulsory primary education. Second major activity	-do-	-do-	-do-

(Continued)

Levels of Municipal Services in Selected Towns (*Contd.*)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
4. Mangalore (Mysore)	Port, growing industrial complex	1,48,669	17·36	12 g.c.p.d	-do-	-do	-do-	-do-	-do-	-do-	Outline development plan ready, awaiting sanction
5. Malegaon (Maharashtra)	Small industries : weaving	1,21,408	29·41	13 g.c.p.d.	-do-	-do-	-do-	*Per capita* expenditure, declined due to provincialisation of secondary education. Free and compulsory primary education	Unsatisfactory, due to the plying of bullock carts	-do-	None
6. Shahjahanpur (Uttar Pradesh)	Service town	1,10,432	10·74	No piped water supply	-do-	Not encouraging	State function	Free and compulsory primary education, Second major activity.	Unsatisfactory, due to the plying of bullock carts	-do-	-do-
7. Monghyr (Bihar)	Service town, close to major rail junction	89,768	9·91	40 g.p.c.d	-do-	Strengthened units	State function	-do-	Improvements gained in road facilities	-do-	-do-

Source : *Report of the Rural-Urban Relationship Committee*, Volume III, 1966. Government of India (Ministry of Health & Family Planning), Delhi, 1967, pp. 236-8.

the level of services could not be treated as satisfactory. Of these Malegaon has the highest per capita income of about Rs. 30 and perhaps the poorest in basic urban services. It is a place without an urban complexion, and so is Shahjahanpur with a per capita income of Rs. 10·74. The difficulties of Malegaon are attributable largely to the absence of a properly developed urban area, which is easier and less expensive to maintain particularly in matter of sanitation and conservancy. This fact is borne out by the example of Monghyr which was redeveloped after the Bihar earthquake and where the general standard of services compare favourably with other towns even though its per capita income is only about Rs. 10. Another fact is the increasing emphasis on education, though much of it may be attributed to making it free and compulsory. Water supply has now the required recognition but it still remains un-integrated with the underground sewerage schemes, now under preparation in some of the towns. Planning and development are the basic vital issues which need to be properly attended."[1]

The overall disparities in the level of municipal services throughout the country are all the more clear from the analysis of *per capita* municipal expenditure on various municipal services conducted by the RURC for 98 urban local bodies for the year 1962-63. The following table summarizes the position quite succinctly for various classes of towns.

TABLE 2

Per capita **Expenditure Distribution By Class of Town, 1962-63**

Class of town (Population)	*Number of Urban Local Bodies*									*Average Expenditure (Rs.)*
	Less than Rs 5	*Rs. 5-10*	*Rs 10-15*	*Rs. 15-20*	*Rs 20-30*	*Rs. 30-40*	*Rs. 40-50*	*Rs. 50 & above*	*Total No*	
Corporation			1	1	2	2		2	8	31·50
Class I (over 1,00,00)			1	3	1		1	1	7	19·04
Class II (50,000 to 1,00,000)	1		3	4	2				10	16·75
Class III (20,000-50,000)	3	3	6	4	6	1	1		24	16·12
Class IV (10,000-20,000)	6	9	3	1	2	1	1	1	24	12·83
Class V (5,000-10,000)	4	7	1	1				2	15	11·31
Class VI (less than 5,000)	1	3	3		1			2	10	10·56
Total :	15	22	19	14	14	4	3	8	98	

Source *Report of the Rural-Urban Relationship Committee*, Volume III, *op cit*., p.113.

[1] *Report of the Rural-Urban Relationship Committee*, New Delhi, Government of India, Ministry of Health and Family Planning, 1966, Vol III, p 239

It will be seen that the *per capita* expenditure on municipal services has direct relationship with the size of the towns so that the smaller towns also have smaller *per capita* revenue to distribute over a wide range of activities. To this are added the problems of diseconomies of scale in smaller localities leading to a larger proportionate expenditure on the administrative overheads. The only exception to this situation is the hill towns with high *per capita* revenue due to the seasonal influx of tourist population. But, by and large, it is quite clear that an urban local body with a *per capita* revenue of less than Rs. 30 cannot maintain minimum civic facilities and, according to the RURC, the "average range of satisfactory per capita expenditure may be placed between Rs. 30 and 35".[8] It is, of course, difficult to determine such minimum expenditure levels without also taking into account the peculiarities of particular situations and, ideally, each town has to work out its needs for maintenance and development of municipal services to achieve satisfactory standards with due regard to the resources at its command. However, certain rough technical standards could be formulated for different categories of urban local bodies in physical terms and corresponding estimates of the cost of achieving these standards may also be calculated. Such an attempt was made by the Central Town and Country Planning Organization (TCPO) for the committee of ministers constituted by the Central Council of Local Self-Government on *Augmentation of Financial Resources of Urban Local Bodies* (Zakaria Committee) (1965). The Zakaria Committee added a few services, such as education, which were not considered by the TCPO and estimated the annual recurring expenditure requirements of the urban local bodies on the basis of the following : (*i*) number of urban local bodies in 1960-61; (*ii*) population of urban local bodies as per 1961 census; (*iii*) price level of 1956-57; and (*iv*) standard of services as worked out by the TCPO. The urban local bodies were categorized into six classes in terms of population as follows :

(1) *Standard A (Special)*—Population above 20 lakhs; in case of industrial cities above 10 lakhs;

(2) *Standard A*—Population between 5 to 20 lakhs;

(3) *Standard B*—Population between 1 to 5 lakhs;

(4) *Standard C*—Population between 50,000 to 1 lakh;

(5) *Standard D*—Population between 20,000 to 50,000; and

(6) *Standard E*—Population below 20,000.

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[8] Report of the Rural-Urban Relationship Committee, *op. cit.*, p. 115.

The result of the estimates by the Zakaria Committee is shown in Table 3 below :

TABLE 3

Desired and Actual *per capita* Recurring Expenditure of Urban Local Bodies, 1960-61
(In Rupees)

Service	*Classes of Urban Local Bodies*					
	Class A Special	*Class A*	*Class B*	*Class C*	*Class D*	*Class E*
(1) Water supply	10·80	10·20	9·80	8·64	7·56	7·42
(2) Sewerage & drainage	12·20	11·90	10·80	9·30	8·70	8·20
(3) Roads and works	2·50	2·20	1·80	1·35	1·20	1·10
(4) Streets lighting & electric distribution	3·00	2·85	2·50	2·30	2·15	2·00
(5) Education	6·00	5·00	4·00	3·00	2·00	1·00
(6) Medical & health	3·00	2·00	1·00	0·75	0·50	0·25
(7) Fire fighting	0·50	0·40	0·30	0·20	0·10	0·05
(8) Horticulture	0·50	0·38	0·20	0·08	0·06	0·05
(9) General administration	5·00	4·00	3·00	2·00	2·00	1·00
(*a*) Total: Desired expenditure	43·50	39·93	33·40	27·62	24·27	21·07
(*b*) Actual expenditure	33·95	22·22	15·06	12·74	12·49	11·19
(*c*) Deficit (a)—(b)	9·55	16·71	18·34	14·88	11·78	9·88
(*d*) Percentage of (c) to (a)	21·96	41·85	54·88	53·89	48·55	46·90

Source : *Report of Committee on Augmentation of Financial Resources of Urban Local Bodies*, Report of the Committee of Ministers constituted by the Central Council of Local Self-Government, Government of India (Ministry of Health), Delhi, 1965, pp. 36 and 151

From Table 3, it is obvious that there is a large gap between the existing and the desired level of municipal services. The total amount necessary to meet the gap was calculated at about Rs. 91 crores at 1956-57 prices which may safely be put around Rs. 100 crores in terms of price level prevalent in the mid-sixties. It should be remembered that the estimate is only for maintenance of various municipal services for different categories of urban local bodies, and capital development is to be tackled separately. Again, the revenue side of the picture is to be added to these estimates with a marginal surplus so that the minimum estimates of costs and revenues needed may be examined side by side. The estimates prepared by the TCPO are reproduced in Table 4 showing the desired capital and maintenance costs and revenues needed for various categories of urban local bodies.

TABLE 4

Desired *per capita* Municipal Costs and Revenues, 1956-57

(In Rupees)

Class of urban local body	*Capital cost*	*Maintenance (annual)*	*Revenues (annual)*	*Surplus*
1. A Special	307·00	29·00	37·80	8·80
2. A	249·00	27·53	33·60	6·07
3. B	193·00	25·10	29·40	4·30
4. C	153·00	21·67	25·10	3·43
5. D	121·00	19·67	20·80	1·13
6. E	96·00	18·77	18·90	0·13

Source : *Report of the Committee on Augmentation of Financial Resources of Urban Local Bodies, op. cit.*, p. 117.

It will thus be seen that the current backlog in maintenance expenditure is heaviest in the medium-sized towns (Classes *B* and *C*), followed by small-sized towns (Classes *D* and *E*), larger towns and cities (Class *A*), and lastly the largest urban centres (Class *A Special*). In *per capita* terms, however, the desired costs and revenues are directly related to the various classes of urban local bodies. The optimum revenue has been pegged at a higher level than desired maintenance cost, in a tapering manner, to emphasise that it is possible to operate the essential municipal services through appropriate user charges so that expenditure on purely social services, like education, etc., can be financed from the general taxes. In actual practice, of course, each local authority will have to strike a balance between general and specific financing of municipal services, although it is possible to relate the costs and benefits of a large segment of municipal services through appropriate and specific charges without violating the principle of equity.[3]

FISCAL CO-OPERATION

Taxation

There are three distinct areas in the field of local taxation where there is scope for inter-governmental co-operation. These are : (*a*) delimitation of tax fields, (*b*) tax substitution, and (*c*) tax administration. Each of these areas are considered below in seriatim.

[3] In fact, it is easier to apply the "exclusion" principle in the sphere of municipal (or local) services, than for national services. *See*, in this connection, the excellent paper by William S. Vickrey, "General and Specific Financing of Urban Services", in Howard G. Schaller (Ed.), *Public Expenditure Decisions in the Urban Community*, Washington, Resources for the Future Inc., 1963.

Delimitation of tax fields—The necessity for allocation of few taxes for the exclusive use by the urban local bodies has been repeatedly emphasized by a number of expert committees. The Taxation Enquiry Commission (TEC) (1955) recommended 6 taxes to be reserved for the local bodies and, in addition, 4 other taxes were also recommended for permissive utilization. The Commission hoped that if suitable steps are taken in this direction, then the need for any Constitutional reservation for local taxes would not be necessary. However, the trend seems to be in the opposite direction and "the State governments do not completely divest themselves of the power to raise revenue from these taxes and most of them continue to exercise the right to levy one or another of these taxes for their own purposes".[4] The State governments plead that their limited tax base is responsible for the anxiety to utilize their tax powers fully, in the absence of local enthusiasm to do so. However, as the TEC pointed out, this argument cuts at the root of self-government, and if local authorities are to function effectively and attract proper leadership, their financial autonomy has to be safeguarded.

There is another aspect to the tax reservation issue. The urban local bodies have been assigned about 15 taxes of which not more than 5 are actually exploited, mainly because of the unproductive nature of many of these taxes. The fact that the higher levels of government tend to reserve the most productive and elastic sources of revenue is well-known, but it is also the duty of the higher governmental units to see that at least a few of these taxes could also be shared with the lower units in order that the overall tax structure of each level of government reflects certain elasticity and buoyancy. From this angle, it would appear that sufficient attention has not been paid to local taxes as has happened in the sphere of State taxes. The result is that the list of taxes leviable by the urban local bodies is no indication as to its revenue potentiality.

Tax substitution—The question of tax substitution arises in the case of abolition of *octroi*; and better utilization of the tax on trades, professions and employment by the sales and income taxes respectively. The evils of *octroi* are well known and the desirability of its abolition has been accepted by all experts starting from Sir Charles Trevelyan in 1828. Recently, the RURC and the interim report of the Road Transport Taxation Enquiry Committee on *octroi* and other check posts (1967) have suggested that, *in lieu* of *octroi* the urban local bodies should have either a share in, or the power to impose a

[4] *Report of the Rural-Urban Relationship Committee*, Volume I, *op. cit.*, p. 87.

supplementary levy on the State sales tax. The exact manner of its substitution has been left to the individual States, but it is presumed that the urban local bodies in States without *octroi* would also be able to diversify their revenue base and enjoy the advantages of the most elastic item of State taxation. It might be preferable to allow the larger municipal corporations the freedom to levy their own supplemental rates on sales tax, subject to certain maximum limit prescribed. The other urban local bodies could expect a prescribed share of the tax proceeds distributed on the basis of local consumption or population.

The other question of tax substitution of the local tax on trades, professions and employment by the income tax is slightly more complex. Although it is recognized that the 'professions' tax is a type of limited local income tax, it has not been found possible to utilize the source properly for two main reasons : (*a*) it is not comprehensive enough to tackle all sources of income or all types of assesses ; and (*b*) the Constitutional restriction of Rs. 250 placed on each assessment limits its proper utilization. Although, both the Local Finance Enquiry Committee (1951) and the TEC suggested the raising of the maximum limit permissible, this is not the heart of the matter. Under any scheme of local income tax, the greatest difficulty arises as to how non-residents are treated, to what extent unearned income is taxed, and whether it is possible to bring corporate income under local taxation. Even if we leave the question of company taxation for the present, to be equitable, the local income tax has to allow rebate or at least impose somewhat lower taxes on the non-residents and, correspondingly, tax unearned income at higher rates than earned income, if not also to allow certain deductions to take into account differential family circumstances. None of these refinements can be achieved under the existing local 'professions' tax. The logical solution to this problem is to impose a supplemental levy on the income tax to be distributed among the urban local bodies on the basis of origin. The local authorities' share might be routed through the State governments and deducted from the divisible pool of income tax. In such an event, the existing right of the Madras Municipal Corporation to tax company profits may have to be withdrawn, as company taxation does not fall within the divisible pool between the Centre and the States.

Tax administration—We have already discussed how the machinery of tax administration in the States and at the Centre might be utilized for removing certain objectionable features of local taxes. Suggestions have also been made from time to time to centralize assessment,

if not also the collection, of municipal property tax by creating State Valuation Boards, and so on. If economy is the main purpose for centralized assessment of property taxes, then the obvious choice would be to look towards the machinery of the Central government as the taxing authority for urban estates. On the other hand, if under-assessment and tax delinquency in property taxes are to be corrected, then it is to be proved conclusively that tax administration, in performance terms, is better in the States and at the Centre with respect to sales tax and income tax—the two major tax items at the upper levels of government. Unfortunately, such conclusive evidence is hard to come by, although one might but conjecture that the situation would be far worse in respect of these taxes, compared to the local property tax, because of higher stakes involved.

The principal objection to centralization of property tax administration is that it is the most important tax available with the urban local bodies and any attempt to lighten the burden of local tax administration would mean local taxation without responsibility. The economy argument has certain merits so far as the smaller urban authorities are concerned. But the approach in this direction could as well be voluntary assistance by the State governments by approving the list of a panel of valuers, or even to assist local valuation by a small nucleus of qualified staff appointed for this purpose.

The analogy of centralized property valuation in the UK is somewhat misleading. There centralization took place in the wake of administration of grants and since the Board of Inland Revenue administers both income tax and death duty at the national level, it is economical to have unified valuation of real property for both central and local taxation.

The problem of under-valuation can be controlled in an indirect manner by the State governments to compulsorily acquire estates at the value declared by the owners.[8] The problem of tax delinquency needs to be tackled through the grants system so that efficiency in tax collection is rewarded and inefficiency penalized by adjusting the quantum of general-purpose grants to the urban local bodies.

Sometimes it is argued that if property valuation is correctly done, the prevailing "high" rates of property taxation could be reduced without any loss to the municipal exchequer. This is quite true;

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[8] S. Bhoothalingam, *Final Report on Rationalisation and Simplification of the Tax Structure*, New Delhi, Government of India (Ministry of Finance), 1968, p. 46.

but, the supposedly "high" rate of property taxes in many of the municipal corporations is due mainly to the desire for progression of rates, rather than to under-valuation. It was demonstrated by Kaldor some years back that even under a proportional tax rate of about 45 per cent on income tax, the total tax revenue would be the same.[8] If the tax base is narrow, either due to limited coverage or under-assessment, the rates of taxation would naturally rise, sometimes even higher than the tax base itself, as happened in the UK after derating of properties during the depression of the 'thirties.

The important point which ought to be emphasized is that the techniques of revenue administration are quite different from those of penal administration, although for practical reasons both types of administration might function together, as in the case of customs. The problem of evasion can be controlled to a substantial degree by varying coverage, tax base, and tax rates, so that the incentives to evade, either unilaterally by the assesses or in collusion with tax officials and/ or local politicians, are substantially reduced. If the gain through evasion exceeds the tax liability, then the problem can not be satisfactorily tackled by revenue administration. Purely from the revenue point of view, it is not worthwhile to spend the marginal rupee on tax administration, if this can not be recovered from the tax proceeds. If extra revenue considerations demand imposition of a tax rate higher than the marginal rate, then revenue administration has to be supplemented by penal administration. The point to note here is that local property tax has no other over-riding social objective to fulfil than to contribute to the local exchequer and, therefore, any plan for streamlining its administration must balance the costs and revenues of the reorganization proposal.

Revenue Transfer

Revenue transfers from the higher to lower-levels of governments can take place in two ways through : (*a*) tax sharing and assignment of revenue; and (*b*) grants. Some of the issues relating to these two aspects of revenue transfer from the State governments to the urban local bodies are discussed below.

Tax sharing and assignment—In India the pure variant of tax-sharing which originates from inter-governmental contracts are unknown, and both the total quantum to be distributed and the manner

[8] N. Kaldor, *Indian Tax Reform : Report of a Survey*, New Delhi, Government of India, (Ministry of Finance), 1956, p. 17.

of its distribution is decided by the upper-level government. In any case, the number of taxes "shared" with the urban local bodies is extremely limited and would include only the State entertainment tax and the motor vehicles tax. In the case of entertainment tax, a high percentage is retained by the State governments as 'collection charges', so that it resembles sharing; although, technically, this is assigned to the urban local bodies in three States. The motor vehicles tax is "shared" in a different way. Since the tax was provincialized in the late 'thirties, the local authorities deprived of this tax source are compensated to the extent of revenue foregone. This, therefore, partakes of an *in lieu* or compensatory grant.

The Zakaria Committee suggested proper tax-sharing with the urban local bodies in respect of those State taxes which have predominant local bases. Such taxes are stamp duty, electricity tax, entertainment tax, etc. The proceeds of these ought to be distributed on the basis of origin, and not in terms of needs. Regarding the other two taxes, namely, the assigned entertainment tax and compensatory share of motor vehicles tax, proper criteria should be evolved both for the percentage to be distributed as well as the methods for *inter se* distribution.

Grants-in-aid—Grants are mainly of two types : (*a*) general purpose, and (*b*) specific purpose. In India, the movement for a general purpose grant to the urban local bodies is of recent origin, and only three States have recently formulated comprehensive schemes in this regard. Generally speaking, these grants are distributed on a *per capita* basis, and this is inversely related to the size of the urban local bodies. Although this is easier to administer than a complex system of formula-based grant, the simple *per capita* index does not take into account the relative resources and tax efforts by the urban local bodies. These two aspects are sometimes considered either in the administration of a specific grant or in a general way to attain certain desired level of taxation by coaxing the municipal bodies through administrative measures. The position is undoubtedly clumsy and refinement in the distribution of a block grant will have to be achieved in course of time through simple formula-based distribution. If needs are reflected in population, local resources may be related to property valuation and tax efforts could be measured through tax rates, then the formula for distribution of a block grant would be : $P \times \frac{r}{V}$ where P stands for population, V stands for property valuation, and r represents property tax rates. Necessary weightage to population could be given with due consideration to the size of the

local body, the topographical aspects, any special characteristics of the population, etc. More than the refinement of grant, what is needed is the recognition of its necessity by the State governments and the preparation of detailed code for its administration.

The major advance in the grants system has to be in the direction of conditional grants for development purposes. In this sphere, more than in the sphere of unconditional grants, the State governments have not played their part well *vis-a-vis* the urban local bodies. A comparison between the grants received by the urban local bodies from the States, and the State governments' receipts from the Centre reveals that the ratio stood at 1:14 in 1960-61. Since then, the dependence of the States on the Central conditional assistance has increased due to the intensification of planned development. That similar developments have not taken place in the municipal sphere shows that the urban local bodies are not integrally linked with the State planning process. It would be unfortunate if this tendency is allowed to continue for long, and it is but proper that suitable assistance for urban development in the form of plan grants covering all the major components of facilities be accorded to the urban local authorities. Care should be taken to see that the long-term needs of development of backward and undeveloped urban areas are met by the development grants and other necessary assistance.

The percentage of grants to the urban local bodies stood at about 14 per cent in 1960-61. The precise share of external assistance that can be absorbed by the local bodies, of course, depends very much on the pattern of central (State)—local relations and the status of the local government in the governmental hierarchy. But, even under a paternalistic system of local government, the share of the external finance can safely be put around 50 per cent of the local budget, without unduly affecting local autonomy.

NEW SOURCES OF REVENUE

Taxation

A local tax may be defined as one where the local government has the freedom to decide the tax rate. From this definition, it would appear that the scope for fresh avenues of local taxation is limited, apart from better utilization of existing taxes and increased devolution of resources from the State government by way of tax-sharing and grants. We have already indicated that the local property tax should be the mainstay of the urban local authorities, to be supplemented by

other subsidiary tax sources. It is sometimes agrued, with some justification, that instead of frittering the energy over a number of tax sources, the better course for the urban local bodies would be to concentrate on a single tax. However, the danger of a single tax base is that with increased responsibilities of the local authorities the dependence on external devolution becomes excessive to the detriment of fiscal autonomy. This is already evident in the UK where presently a desperate search is being made for new sources of *local* revenue. This, of course, does not mean that some of the unproductive and objectionable local taxes should not be abolished altogether. In fact, it would perhaps be better to have a limited number of purely local taxes for the exclusive use of the urban local bodies.

Having said this, it is not quite out of place to mention the possibility of two new local taxes on : (*a*) floating population in metropolitan and industrial towns, and (*b*) urban land values. These two taxes are briefly explained below.

Tax on floating population—A tax on floating population was recommended by the Zakaria Committee for the metropolitan areas and the larger urban centres of the country. The tax can be operated in the same manner as a pilgrim tax by levying an additional surcharge on the outgoing rail and bus passengers within a radius of 150 miles. This will primarily be a tax on the daily commuters to the larger urban centres, although even the resident population will be subject to this tax when they have to travel occasionally in the fringe areas.

Tax on urban land values—A suitable local tax on urban land values has been advocated recently to mop up the unearned increments in the value of urban land. The proceeds of the tax can be utilized for urban development purposes. This type of tax will exert a dampening influence on speculation in urban land. Although the desirability of the tax is not disputed, in practice it might be difficult to operate the tax because of valuation difficulties. Essentially, the tax is in the nature of a capital gains tax and, therefore, it might be advantageous to have an integrated system of valuation and tax collection with the Central government, as in the case of a local income tax. Another variation of the urban land tax could be a tax on undeveloped land, which would discourage speculative holding. Such a tax is already being levied in Madras by the State government.

Non-Tax Revenue

Although it has been suggested earlier that greater utilization of non-tax revenue sources should be made to finance specific municipal

services, in practice it might be difficult to apply this principle for the exclusive financing of particular services. Some amount of subsidy from the general revenue is to be expected for most of the municipal services, except those which are in the nature of enterprize activities. Recently, there has been a feeling that the municipal utilities could be run in such a way as to contribute to the general revenue of the local bodies. In practice, such an eventuality would be rather limited. Moreover, profits from essential services, like public utilities, ought to be utilized for the development of the particular services and not diverted to the general revenue as this violates the principle of ability to pay. There is, however, no harm in diverting profits from other municipal enterprises for general development of the urban area.

CONCLUSION

From the foregoing discussion it is clear that a major advance in local finance is possible through inter-governmental co-operation and revenue devolution in a systematic manner. The integration of the urban local bodies with the State and national planning process will substantially shift the responsibility of financing urban development to the upper-tier governments. However, the main initiative in this direction must lie in the State governments, although the passive role of the Central governments *vis-a-vis* urban development also needs to be changed. The process of inter-governmental fiscal co-operation would be considerably facilitated by the creation of local or municipal Finance Commissions in each State at five-yearly intervals. Without the prestige and authority of such impartial analysis and advice, the entire field of State-local fiscal relations remains vague and uncertain.

The extent of the supposed gap between the desired and actual level of municipal services and revenue resources has already been indicated. It is not difficult to bridge the gap, provided it is recognized that the municipal authorities have an important role to play and, consequently, the means for a purposive participation by these self-governing institutions in national development must be found. However, it is difficult to see how the present stagnation in local resources can be overcome, unless municipal finance is related to the more elastic resource bases available with the States and the Centre.

INTER-GOVERNMENTAL RELATIONS IN URBANIZATION AND URBAN DEVELOPMENT

Shri Ram Maheshwari

THE present paper purports to describe inter-governmental relations in the field of urban development and to offer a few suggestions for improvement. It, however, seems necessary first to define the terms 'urbanization' and 'urban development' for the sake of clarity and precision in what follows in the present paper.

Urbanization refers to the migration of population from a rural to an urban environment. Urban development, another terms used here, connotes the provision of a set of basic facilities and services in the urban area and regulation of urban growth. These facilities and services may be listed out as water supply, drainage and sewerage, urban renewal and housing, urban re-development, transportation, road construction, supply of electricity, etc. This list is merely suggestive, not definitive, for as the country moves along the road to urbanization, new components would get added and demand solution.

All these subjects fall, by and large, within the constitutional responsibility of the States under the Constitution of the country. Public health and sanitation is Entry 6 in the State List under the Seventh Schedule of the Constitution, roads, bridges and municipal tramways are covered in Entry 13; water supply and drainage is Entry 17; 'rights in or over land, land improvement and colonization' is Entry 18. Local Government itself is a State Subject, being Entry 5 in the State List of subjects.[1]

Since the components of urban development figure in the State List, it is the state government that decides which specific subjects be devolved upon local government for performance. The municipal government does not necessarily administer all these facilities itself. Thus, most of the municipal bodies in India except those at Delhi, Bombay and Ahmedabad do not own and run transportation services. This is true in the case of supply of electricity also. Secondly, the

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[1] It reads "Local government, that is to say, the Constitution and powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of local self-government or village administration."

state government has transferred responsibility for these matters to different organizations at the local level, the municipal government being only one of the recipients. One will, thus, find, in addition to the municipal government, improvement trust, housing board, transport undertaking, electricity board, etc., operating side by side with each other charged with some specific function in urban development.

The brunt of urbanization in India has been borne by municipal corporations and municipal councils. While the total urban population increased by nearly 175 per cent during 1921-61, that residing in Class I cities (which have a population of 1 lakh or more) shot up by not less than 400 per cent. Class I cities, today, number over 100 and are inhabited by 35 million people which is only slightly less than half of the total urban population of the country.

STATE GOVERNMENT AND URBAN DEVELOPMENT

At the state level a number of departments deal with matters covered under urban development. There is a department—the Department of Local Self Government—which is administratively in charge of urban government. In addition, the functional departments in the secretariat administer the various components of urban development. Thus, water supply, drainage and sewerage, road construction, land acquisition and development, housing and slum clearance, etc., are being dealt with by respective functional departments. As is to be expected under such a fragmentary arrangement, the urban affairs do not get viewed as one integrated function. An inevitable consequence of this is a haphazard, piece-meal development bearing the imprint of lack of coordination. It is, therefore, not unusual to find the dwelling houses in a town fully completed yet remaining unoccupied for, say, want of electricity of water supply or even both. This is avoidable waste. As the urban population of the country is likely to more than double between 1961-81, a need to streamline the planning, financing, and administration of various urban development schemes cannot be over emphasized. The prevailing administrative arrangement needs to be suitably modified to promote integrated approach to and synchronized action on problems of urban development. This can be secured by either setting up a department of urban development at the secretariat level or, at the least, by constituting an inter-departmental standing committee. A unified department on the Maharashtra pattern seems to be the only long-term answer to problems of urban development.[8] Maharashtra has set up a composite Department

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[8] Also see *Report of the Five Sub-Groups on Housing and Urban and Rural Planning for the Fourth Plan*, New Delhi, Ministry of Works and Housing, 1965, p. 65.

of Urban Development and Health which deals with subjects that may be grouped under urban development including urban government, public health, and housing. The subjects included under the first category are administration of the law relating to municipal corporations, municipalities, notified area committees and improvement trusts, matters relating to urban government in cantonment areas insofar as the state government is concerned, matters relating to the levy of taxation by urban local authorities, local urban government at urban hill stations, town planning including development plans for urban areas, government water works in urban areas, municipal water supply and drainage, sanitation schemes in urban areas, registration of births, deaths and marriages, etc.[3]

Worse than the fragmentary structural arrangement at the state level is the attitude of the state government towards local bodies. Its attitude has been seldom constructive and helpful. It is negative—one of fault-finding—, and is unashamedly punitive. This has been a legacy of the past and little has been done during the twenty years of Independence to wipe it out and to develop a constructive and friendly relationship. Even the Indian Statutory Commission, popularly known as the Simon Commission, had noted as early as 1930: "We have heard the criticism that the only effective powers possessed by provincial Governments, namely, those of suspension and disolution, have left the Ministers powerless in the face of misconduct calling for less drastic treatment, and we think that this criticism is well-founded. Where spur and rein were needed, the Ministers were only given a pole axe.".[4] To give guidance and advice to urban bodies a directorate of municipal administration needs to be set up. Both the Central Council of Local Self-Government and the Conference of State Ministers of Town and Country Planning have emphasized the desirability of having such an organization in the states. "The State Government should . . . set up Directorates of Local Self-Government to look after problems of urban local government in the states and watch the implementation of the Resolutions of the Central Council of Local Self-Government and Conferences of the Municipal Corporations as well as execution of the Local Self-Government schemes."[5] The Rural-Urban Relationship Committee observed: "A well-organized Directorate at the state level with effective regional inspecting staff

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[3] *Organization of Government of Maharashtra*, Bombay, Popular Prakashan, 1965, pp. 75-6.

[4] *Report of the Indian Statutory Commission*, Cmnd. 3568, London, HMSO, 1930, para 351.

[5] Resolution No. 10 passed in the tenth meeting of the Central Council of Local Self-Government and the Fifth Conference of State Ministers of Town and Country Planning, held at Bombay in February 1965.

should go a long way towards improving the system of direction, supervision and control of local bodies. It should guide and advise local authorities in the solution of their current and future problems and advocate their cause with the relevant departments. The Director and the Inspectors should function as friends and guides of local bodies. A body of inspectors for scrutinizing the work of local authorities and keeping the State Government in touch with their special needs would also serve as a source of information for the state and local officials".[6]

The directorate of municipal administration should be equipped with :

(*a*) a planning and finance section to guide and assist urban governments in preparing their five year plans on a uniform pattern as part of the state plan. It should ensure necessary liaison between the functional and technical departments of the government in the planning and execution of their programmes in the urban areas. It will also collect data, analyse information, prepare monographs and circulate them among the local bodies;

(*b*) a section under the direct control of the Director of Municipal Administration to give general direction and exercise supervision over the working of local bodies. It should also undertake the work of drafting model bye-laws and rules and advise the government on changes in the law relating to urban local authorities;

(*c*) a personnel section to manage the state cadres of municipal personnel and advise local governments about personnel management and training;

(*d*) an inspectorate at the field level with one inspector for each division or a group of districts. The Inspectors shall submit regular reports assessing the woking of local bodies and bringing out their difficulties and suggesting remedial action;

(*e*) a central valuation section to guide and control the work of valuation officers and to act as an appellate authority for valuation of property.[7]

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[6] *Report of the Rural Urban Relationship Committee*, Vol. 1, New Delhi, Ministry of Health and Family Planning, 1966, para 11.14.

[7] *Ibid.*, para 11.16.

In the administration of urban development schemes the public health engineering organization plays an nodal role and needs, therefore, to be suitably located. At present, no single pattern characterizes its location. In many states it has been placed under the department of public works or irrigation department or public health department. Only Andhra Pradesh and Uttar Pradesh make it operate under the Department of Local Self-Government. As the latter is the administrative department of all the local bodies, and as the bulk of the work carried out by the public health engineering organization relates to the works of local bodies in connection with their water supply, sewerage and sewerage disposal systems, a close cooperation and coordination between the two is utterly necessary, which may only be ensured by placing the public health engineering organization under the department of local self-government. A unified control at the governmental level over local governments as well as over the public health engineering organization is imperative in the interest of expeditions and smooth execution of schemes. As the latter is mostly financed from the centage charges recovered from the local bodies, it is but reasonable for it to operate under the administrative control of the department of local self-government. The National Water Supply and Sanitation Committee, set up by the Ministry of Health in 1960-61 has also favoured the location of the public health engineering organization under the department of local self-government.

LOCAL-STATE RELATIONSHIP

The local-state relationship may be analysed under three broad heads: statutory, administrative, and financial.

Statutory

Local government derives its existence from a desire of the state government as articulated in the statute. By enacting a statute, however, the state does not entirely absolve itself of responsibilities in the field of urban development. Matters like housing, public health, transport and communications, education, etc., are the concern of both the state government and the municipal government. The state government, indeed, maintains its own departments in these subjects, and, what is more, itself steps in whenever it discerns a failure on the part of the local government to perform these services at an acceptable level of efficiency.

A large number of municipal acts in India date back to the twenties and thirties of the present century when urbanization was hardly

identifiable force, much less a force to be reckoned with. Uttar Pradesh (in respect of municipal councils), West Bengal, Bihar and Punjab still retain these old laws. Many states like Assam (1960), Orissa, Andhra (1965), Kerala (1956), Mysore (1964) and Uttar Pradesh[8] (1959) have, however, updated their municipal statutes. Two factors account for the legislative renewal. First, consequent on redrawing of the boundaries of the states, the urban governments in several states came to be governed by three, four, even five different sets of laws and, consequently, the need for unification was felt to be urgent. To cite an example, the municipalities in the re-organized state of Mysore were governed under laws enacted in the old princely state of Mysore, Hyderabad State, Madras and Bombay. Secondly, some states considered the municipal laws framed several decades ago as inadequate to respond to the changed requirements and, therefore, set out to modernize their urban laws. A fuller awareness of the need for planned and regulated urban development, however, has not yet been manifested by many. The Maharashtra Municipalities Act 1965 and, to a degree, the Uttar Pradesh Nagar Mahapalika Abhiniyam 1959 appear to be the only statutes which may be considered progressive and forward looking.

That the states have lagged behind in their urban consciousness is evinced by their not entrusting the function of town development to the municipal government. Instead separate improvement trusts have been constituted to plan the improvement and expansion of towns. Such an attempt at creating plurality of centres at the municipal level has had debilitating effect on municipal bodies and, also, has kept the improvement trusts deprived of perspective and imagination. Some of the states like Uttar Pradesh have learnt the lesson and have put this function squarely on urban government. Improvement and expansion of a town is as much a municipal function as any other and it is but one of the many other equally important functions which a municipal government is under an obligation to perform. The existence of two local bodies operating alongside causes avoidable waste of tax-payers' money by entailing duplication of staff and services, and the resultant civic dyarchy generates unhealthy rivalry and a tendency to shift responsibility.

Administrative

Administrative incompetence of urban government being proverbial, the latter's dependence—or subservience—on the state government both for the framing of schemes of urban development and their actual administration is unashamedly all-round. In addition to the

[8] In case of municipal corporations only.

conventional power of framing rules and bye-laws, issuing orders and according necessary sanctions, the state government has in most cases chosen to keep itself clothed with the authority to prepare the blue print and also put it into execution. As the urban government generally lacks qualified technical personnel in the fields of engineering, architecture and town planning, it necessarily, looks to the state government for assistance and advice in the preparation of development schemes.

The municipal laws in all the states enjoin upon the urban government to send all its schemes of development to the state government for the latter's approval. In the case of municipal corporations, however, only schemes whose estimated costs exceed a certain specified sum (Rs. 10 lakh in Uttar Pradesh) are required to obtain the sanction of the state government. A scheme of development is required to be accompanied by:

(*a*) a description with full particulars of the scheme and complete plans and estimates of the cost of executing the scheme;

(*b*) a statement of reasons for any modifications made in the scheme;

(*c*) a statement specifying the land proposed to be acquired; and

(*d*) a statement of objections or representations made by residents of the place.

The provision obliging a scheme of urban development to gain the sanction of the state government before implementation essentially aims at ensuring that it meets with a minimum level of technical requirements as well as financial discipline and propriety. But the procedure that the states have over the years evolved for scrutinizing and sanctioning the scheme is cumbersome, dilatory, vexatious and inhibitive.

Mention must also be made of the dependence of municipal bodies on the state government for the supply of administrative, professional and technical personnel for manning top positions in municipal administration. And, of late there is a definite swing in favour of provincialization of the local civil service in order to attract qualified personnel and to ward off local influences and pressures. While the state-wide cadres of local governmental personnel are considered desirable, their recruitment, placement, promotion and transfer needs

to be taken away from the hands of the state government and made the responsibility of a local civil service commission which the state government should set up on the model of the state public service commission. As different political parties may come in power at the state and local levels, an action of the state to post or transfer an official may be interpreted as having been motivated by political considerations. To ward this off, to uphold merit, to plan and promote career development, and, also, to inculcate in the officials a feeling that they are members of a truly local civil service, a local civil service commission would be an appropriate arrangement.

Financial

The financial base of urban government has been weak and fragile and has been rendered vulnerable by an administration which is seething with inefficiency and corruption. Unlike the Government of India Act of 1919 the present Constitution does not earmark a separate tax zone for local government. The Act of 1919 had specified the following taxes in the local list of taxation, reserved only for local government:

(1) Toll
(2) A tax on land and land values
(3) A tax on buildings
(4) A tax on vehicles and boats
(5) A tax on menial and domestic servants
(6) A tax on animals
(7) An octroi
(8) A terminal tax
(9) A tax on trade, profession and callings
(10) A tax on private markets
(11) A tax imposed in return for services rendered, such as (*a*) water rate; (*b*) lighting rate; (*c*) drainage rate; (*d*) fees for the use of markets, and (*e*) other public convenience.

The present Constitution divides the taxing powers only between the Union Government and the states, and does not enumerate or recognize any taxes for exclusive use of the local government. What is worse still, the financial powers made available to it have suffered reduction over a period of time. The terminal tax on goods hauled by railways

now vests in the union government; the union properties enjoy immunity from local taxation and the tax on professions has the maximum limit of Rs. 250 imposed by Article 276 of the Constitution. While the taxing powers of local government have suffered reduction, the functions and responsibilities, it has been entrusted with are, however, ever on the increase. The main sources of revenue assigned by the states to urban governments are property tax, octroi and terminal tax which are all inelastic ones in contrast to the elasticity of central and state revenues.

Absence of a local list of taxation in the Constitution, encroachment of the state government on areas traditionally earmarked for use by the local government, an inefficient tax administration, inelasticity of whatever taxes have been made available to it, and increasing local expenditure in response to both rising costs and rising expectations have made the financial position of local government desperate. The Grant-in-aid Code Committee for Municipalities, constituted by Gujarat (1962-64) reported: "Looking to the existing financial situation of the municipalities and somewhat inelastic sources of revenue at their disposal coupled with a great backlog of services and work like water supply, drainage, sanitation, medical relief, public health measures, primary education and improvement of communications, the committee feels that the State Government should continue to play a positive and a large role by way of financial assistance to the municipalities in the field of essential services and obligatory duties in order to develop and expand their sources. As the finances are correlated with the functions it would be all the more necessary to augment the financial resources of the municipalities sufficiently if increased responsibilities and more duties and functions are to be assigned to the municipalities."[9] Urban local bodies derive 66 per cent of their total income from taxes, 21 per cent from non-tax revenues and 13 per cent from grants-in-aid by the state. Reliance on tax is highest in corporations, less in municipalities and least in notified town area committees. The higher the form of local government, the greater is the yield from taxation. Coming to the share of grants-in-aid one finds that corporations derive 10 per cent of their total income from them, municipalities 14 per cent and the notified area committee 24 per cent. That is, the higher the form of local government, the lesser is the dependence on grants.

Although grants-in-aid from the state government do not account for more than 15 paise in a rupee that accrues to the urban government

[9] *Report of the Grant-in-aid Code Committee for Municipalities*, Ahmedabad, Government Central Press, 1964, *para* 7.13.

the state's control over the local government is pervasive, stringent and unimaginative. The state government has assumed the posture and style of a police sergeant rather than that of a teacher guiding, assisting, warning and stimulating the grass-root governments.

Grants-in-aid given by states are *ad hoc* and discretionary in nature depending largely on the availability of funds with the state. To ensure continuity and certainty in the flow of grants to local governments, and further, 'to bring in simpler procedure, larger grants and little delay'[10] an attempt at codification of grants-in-aid is overdue. Only three states—Kerala, Gujarat and Madhya Pradesh—have so far attempted a codification of their grants-in-aid system but the most systematic has been the Madhya Pradesh approach. The grants given in Madhya Pradesh fall in two categories—general purposes grant and specific purposes grant. The scale of general purposes grant is as under :

S. No.	*Class*	*Rate per capita*
1.	Municipal corporations	Re. 0·50
2.	Municipalities having population below 10,000	Rs 1·50
3.	population having population between 10,000 and 20,000	Rs. 1·25
4	between 20,000 and 50,000	Re. 1·00
5	Municipal having population above 50,000	Re 0·75

The specific purposes grant is made available for the following purposes :

S No.	*Name of Scheme*	*Class*	*Rate*
1	Water supply scheme/and/or drainage scheme	Corporations & all kinds of municipalities	30%
2	Dwelling houses for municipal staff	1. Corporation 2. Municipalities Class I & II 3. Municipalities Class III & IV	30% 35% 40%
3	Public Works, roads, drains, pavings, footpaths, latrines and urinals.	1. Municipalities Class I & II 2. Municipalities Class III & IV	30% 40%
4	Equipment for sanitary public works, fire fighting or other municipal services	1. Municipalities Class I 2. Municipalities Class II 3. Municipalities Class III & IV	30% 35% 40%

[10] *Ibid.*, para 9.1

The conditions characterizing the grants-in-aid system in Madhya Pradesh are :

(1) The cost of the work for which grant is sought should be too heavy to be wholly borne by the local authority.

(2) The local authority shall make adequate provision for meeting the rest of the cost of the scheme either out of its own revenue or from loans.

(3) The entire amount of the grant should be utilized by the local authority within one year.

To ensure rational flow of financial resources from state to the local government a demand has been made for the setting up of a finance commission, on the pattern of the Finance Commission at the Central level, charged with the responsibility of regulating the grants system and the local governments' share in the pool of divisible taxes. As local government is an integral part of the governmental system in India and, further, as it has inevitably to play a significant role in the tasks of national development it must be ensured adequate resources and must become financially self-reliant and the proposed finance commission would go a long way at ensuring this. The Rural Urban Relationship Committee has also lent its support to the proposal "The (Rural Urban Relationship) Committee recommend that well before the appointment of the Finance Commission by the President, the Governor of each State should appoint a body to be known as the Municipal Finance Commission to examine the financial requirements of local bodies for meeting their financial obligation for water supply, sanitation, health and other obligatory services and expenditure on schemes of planning and development forming part of the State's Five Year Plan but meant to be executed by the local bodies. The Commission should make an assessment of prospective revenue which the local body should be expected to realize from the resources allocated to it and lay down the scale for sharing of certain taxes divisible between the State Government and the localb odies. After adding the revenue which the local body can realize from non-tax resources, the balance may be covered by grants-in-aid to the local bodies out of the consolidated funds of the State. There would be nothing to inhibit the local bodies from raising additional funds from the existing or new taxes. The scheme, the Committee feel, would not only act as a financial insurance for local bodies and protect them against arbitrary incursions of the State Government but would also act as a stimulus for the local bodies to make the best use of the taxes allocated

to them. The State Government may include the financial obligations arising from the recommendations of the Municipal Finance Commission in their proposals for the Finance Commission. Thus the finances of local bodies will become an integral part of the overall national finances."[11]

UNION-STATE RELATIONSHIP

Urban government and urban development constitute the charge of the Ministry of Health, Family Planning and Urban Development at the union level. Another Ministry which deals with an important component of urban development, namely housing, is that of Works and Housing. Ministries of Transport and Communications, and of Railways are also directly and significantly concerned with urban development. Need for integrated planning and action on the part of these four ministries in the sphere of urban development is crucial but appears to have not been fully realized so far. An inter-ministerial standing committee comprising representatives of these ministries should be set up to evolve integrated thinking on schemes, problems and issues of urban development.

Although 'local government' falls within the states' responsibility and, further, the components of urban development also figure, by and large, in the State List of Subjects in the Constitution, the Union Government continues to have an important role of providing leadership, setting up standards, and acting as a clearing house for exchange of information and experience in the field of local government and urban state development. Surely, in a welfare state the Union Government cannot behave as an idle spectator, merely looking at things without extending its helping hand. The Union Government has a clear role to play—and there are clear boundaries set to it also.

The Union Government has launched, since the advent of planning in the country, a number of schemes in the field of urban development. These cover water supply and sanitation, sewerage and drainage, housing and slum clearance, land acquisition and development, town and regional planning, and urban community development. Unlike the federal government in the U.S.A. the Union Government in India does not as a rule come in direct contact with the urban government; the central assistance in India is invariably routed through the state. As the central assistance is passed on to the state for onward transmission to the urban government it has also happened in the past that the state concerned chose to utilize it for an entirely different purpose.

[11] *Op. cit.*, para 9.10, p. 88

The National Water Supply and Sanitation Programme launched in 1954 by the Ministry of Health, which has been rightly considered to be a landmark in the history of public health engineering in the country, highlights a few points worth observing. The programme has been marked by a consistent under-utilization of resources and accumulation of unfinished spill-over projects. This is largely on account of a detailed technical scrutiny of each scheme insisted on by the Central Public Health Engineering Organization (CPHEO), an attached office which operates under the Ministry of Health. The central finances are released only on technical clearance of schemes by CPHEO. Not only this, even schemes financed from loans are required to be subjected to the scrutiny and approval of the Central Public Health Engineering Organization. Also, because of the financial pattern set for the scheme, the poorer municipalities which obviously need such services most have not reaped the benefits of this programme. Besides, the procedure that has been laid down for processing of the schemes is both comburous and time-consuming. A scheme has almost invariably to wait for two to three years before it can hope to be taken up for ground implementation. "Even after the necessary preliminaries have been settled with the local bodies concerned, the actual investigation, design and preparation of the concerned scheme and its processing through State and Central Governmental agencies entail an unduly long period of time under the existing procedure."[12]

A scrutiny of this nature by the Union Government of a project is of questionable validity and is, rightly resented by the states. By evolving such a role for itself and imposing it on the States the Union Government has encroached on an area which is evidently that of the States'. It has gone to the extent of even laying down the staffing pattern and scales of pay in certain schemes which the States are obliged to observe rigorously (for example, in the case of preparation of master plan schemes). Apart from being a proposition of very doubtful propriety this certainly creates an unbalancing effect on the personnel system of the state as well as on public expenditure. The Union Government it seems, has missed the wood, because it has got itself involved too intensively in individual trees. It must learn what to avoid and what to cherish and strive for.

The Union Government must now progressively de-emphasize this role and emerge as a leader, standard-setter, trouble-shooter and dessemina—for of information and know-how in the field of urban government including development. It would be conducive to efficiency if it

[12] *Report of National Water Supply and Sanitation Schemes*, Committee on Plan Projects (Buildings Projects Team), New Delhi, 1961, p. 8.

follows a policy of selective relaxation of scrutiny, and to begin with, obliges schemes from only less well-administered states to be subjected to its scrutiny and approval. On the style of the Model Town Planning Act, it should enact model legislation on ingredients of urban development like housing, water supply, sanitation, air pollution, etc., which may be adopted or adapted by the states. It should also undertake researches on technical, administrative and sociological aspects of urbanization and urban administration and organize suitable training courses for municipal administrative, professional and technical personnel. It should collect and compile information, statistical and otherwise, on urban governments and urban development and undertake publication of reports, guide books, periodicals, etc., in collaboration with States and Urban Governments. It should convene as at present periodic meetings of state officials in charge of urban government and development. Such forums bring together the necessary knowledge and experience available in the country, and the resultant pooling of knowledge and experience helps the States to solve problems better. Besides, such conferences serve the other useful purpose of introducing the representatives of one State to their opposite numbers of other States, and thereby help in furthering a cause as well as stimulating generally the emulative spirit in the 'autonomous' States. The standard-setting role of such conferences in matters within the States' sphere of functions is of special significance in smoothing over the rigidities inherent in federalism. The Union Government should extend this kind of role and seek an extensive participation of local governments, professional associations of local government personnel as well as of the citizens in the formulation of standards, policies and programmes in the field of urban government and development. In fact, it should strive for the diversification and development of such forums and encourage them to assume leadership in setting up standards of services and performance and in seeking solutions for the problems of urban government and urban development.

URBAN LAND POLICY

Girijapati Mukharji

DURING the last few years there has been a great deal of excited discussion about the population "explosion" in India, rapid urbanization, physical degeneration of towns, the unbearable stresses and strains of urban life. The *malaise* has been deftly identified by the intellectual community, by social scientists, administrators, town-planners, engineers and a host of inquisitive people. A variety of solutions—preventive and curative—have been offered. Yet, some basic factors seem to have either been forgotten or ignored. For instance, the constitution, the laws and the inherent attitudes of the community which provide, in a sense, a somewhat inflexible frame of reference in regard to any comprehensive study of the problem have received scant attention. Piece-meal approaches do exist and these are often proferred as total answers. This paper would appear to be another specimen of that kind—in so far as it attempts to deal with one component of the remedy, if there be a remedy at all. It is felt, however, that a proper juxtaposition of this component in the total picture may help fill a gap.

Even though the present ratio of the urban population to the total population of India is considerably lower than the corresponding figure for a number of developed countries, it is obvious that a fairly significant increase in the urban population has been going on over the decades. It is estimated that during the last 60 years or so, the urban population has shown an increase of almost 200 per cent. This increase in absolute terms may not be so significant or alarming, but it has to be noted that it has been considerably faster than the growth of the overall population and practically three times the growth of the rural population during this period. The table on page opposite will give a summarized picture of the population increase.

It is very difficult to dogmatise on the rate of growth of the urban population in the future but economic activities in the urban sphere, and the certainty of these activities gaining in volume in the future, lead to the conclusion that the urban population would continue to increase fairly rapidly over a long period of time in the future as well. Neither Governments nor urban local administrations appear to be

TABLE

Urban and Rural Population of India (1901-61) with Percentage Variation over the decade.

	Population in Millions						
		Urban population			*Rural population*		
Year	*Population*	*Population*	*% variation over the decade*	*% to total population*	*Population*	*% variation over the decade*	*% to total population*
1	2	3	4	5	6	7	8
1901	236·28	25·86		10·94	210·42	—	89·06
1911	252·12	26·05	0·75	10·33	226·07	7·44	89·67
1921	251·35	28·21	8·29	11·22	223·14	1·30	88·78
1931	279·02	33·66	19·32	12·06	245·36	9·96	87·94
1941	318·70	44·70	32·80	14·03	274·00	11·67	85·97
1951	361·13	62·28	39·32	17·24	298·85	9·07	82·76
1961	438·01	78·84	26·59	17·97	359·77	20·38	82·03

prepared in any organized manner to meet the situation and the growing dereliction of towns has only been made worse on account of an increase in the number of people living in the urban areas. Much emphasis has been laid from time to time on over-crowding, shortage of adequate housing and the growth of slums. Yet, in addition to to these persistent short-comings, there is acute inadequacy of suitable sites for schools, play-fields, parks and recreation spaces; there is urgent need to widen roads in the urban areas, to remove industries from congested locations and to site them on more spacious grounds. The fulfilment of the basic needs of any kind of civilized life can only be achieved if suitable lands are available in and around urban areas for this purpose. It was discovered during the preparation of the Master Plan for Delhi that to provide suitable school sites for Shahjahanbad (the walled city), probably, the entire land covered by that part of the city would have been required! In some of the older and more congested cities, the situation is not very much better. This contains the warning in itself for timely action to those towns and cities which have not reached this hopeless saturation point in regard to the availability of urban land. In the absence of precise information, it is not possible to indicate to what extent the growth of population in a particular town led to a corresponding growth in its area. Future census reports are likely to throw interesting light on the subject.

It will be a futile exercise, however, to try to relate the area under towns and cities to the total area of the country, because no fruitful results are likely to emerge. On the other hand, a proper analysis of the expansion of the urban areas in regard to land would throw much light on the problem. Naturally, this would have two major components : one would indicate additional land requirements for the removal of existing deficiencies and the other would indicate the amount of land needed for the expanding population. Careful studies based on sound data have not been carried out yet for our urban areas, though some fairly dependable figures are available for Delhi and for some other towns. These are based mainly on projections of population and estimated requirements for various urban uses. However, it is obvious that land is required in most places to meet existing shortages in services and amenities as well as to meet future requirements. That being so, it is clear that there must be some policy under which additional land has to be secured and put to use for urban centres. Such a policy, purely in physical terms, would have to be related more or less directly to city plans of a comprehensive nature. It is comparatively easy to calculate actual requirements of land at a particular moment of time or in the future, and the conjectures are not likely to

be very much off the mark. But, as will be readily seen, any such attempt will only provide a partial solution to the problem. Sound devices have to be found not only for securing more land for the urban areas but also for the proper utilization of the existing land.

II

It is unavoidable at this stage to point out that any realistic policy in regard to urban land can but emerge only from a larger, comprehensive policy in regard to the total land utilization on the national plane. After all, urban development and use of national land for urban purposes is only one item, though not an unimportant part, out of the total national demand, and unless a scientific survey is conducted of the land situation in the country itself and a proper national land policy is evolved, the formulation of an urban policy is likely to be fragmentary and mis-conceived. So far no concerted attempt has been made to study the land problem of our country and, beyond certain generalization about the need of land for forests and agriculture, somewhat on a state-wide basis, there exists no source of information as to the multifarious uses to which the land is being put in the national economy. It is, therefore, the purpose of this paper to emphasize the imperative need of the study of the problem of land in all its aspects and to formulate therefrom a national land policy which should indicate the manner in which various kinds of lands shall be utilized for various purposes over a fairly long period of time. Even though it may appear trite, it is worthwhile stating that whereas various other factors in the economy seem mutable, the total land position remains unchanged and, therefore, an adjustment between the variable and non-variable factors appears essential.

So far the availability of land for any particular purpose has been taken almost for granted and, what is worse, the approach has been on a somewhat narrow basis. That is to say, each of the administrative divisions, *i.e.*, the States, have concerned themselves with the utilization of land in their jurisdiction for schemes supposed to be good for the people of those States. It has to be remembered that in any country, land is a total asset and must be looked upon as such and dealt with accordingly, which means that its utilization and conservation should be on an integrated national basis. Then alone the most fruitful use of land is possible for the benefit of the entire country. To apply fragmentary political or administrative formulae to national economic problems would be a mistake and is likely to result in misuse of assets and is bound to produce imbalances which it will be very difficult to set right later. Whereas, it is not intended to suggest

that State administrations should not continue to busy themselves with the good governance of the territories in their jurisdiction and to provide all the means needed for the proper exploitation of the natural resources available and the gainful employment of the population within their territory, it is essential that all such activities should be geared to the national background. In fact, with rapid technological advancement, economic forces are beginning to assert themselves on the international plane, breaking through political boundaries, and it would be prudent to accept that position and plan long-term policies in consonance with those economic forces rather than let narrow political considerations impede the smooth functioning of the socio-economic forces. If every State in the country started planning separately for its land uses on the basis of its present and future population for forestry, agriculture, industry, urban use, etc., there is not only likely to be a great amount of wasteful duplication but also under-utilization of the land available. With the rapid increase in our total population, which efforts at family planning will not be able to help restrain substantially for quite some time, scientific and rational exploitation of land on a country-wide basis becomes all the more urgent. Unless, therefore, an attempt is made to evolve a proper national land policy, any attempts to set out norms for an urban land policy would go awry. Perhaps even now, it is not too late to set up a National Land Commission charged with the purpose of carrying out a full survey of the land resources in the country and making recommendations for a rational utilization of land. The decisions of Government on such recommendations will not only help economic exploitation of this important national asset, but prevent its wasteful use and many problems of location of activities would, to a great extent, get solved more purposefully.

Land is at the core of all urban problems and its proper allocation and utilization must necessarily be the central theme of all urban planning. The problem is not merely of the availability of fresh land for the expanding towns or for de-concentration of population and activities, but includes as an integral part of it, the proper utilization of the presently urbanized areas. An urban land policy, therefore, has to depend on proper surveys of existing land use and projections of land use in the years to come. A variety of surveys, of which population would be one, would have to be undertaken and at least a general picture of the pattern of economic growth would have to be assumed. Certain yard-sticks will have to be prescribed in regard to allocation of land for various needs in the context of economic conditions. Calculations of land requirements will depend on the assimilation of all these factors and any attempt either to make reservations on a lavish

scale because liberal standards appear palatable and have been adopted in other countries, or a miserly approach because of considerations of economic backwardness, would have to be avoided. On the other hand should, be made in any such assessment for future growth and for incorporation of larger areas of land for reaching certain prescribed standards at a later date when economic conditions permit this. For instance, reservations for certain public facilities like roads, parks, hospitals, schools and so on, should be made right from the beginning, even though actual development may not take place immediately. It is obvious that if such reservations are not made in planning for a particular town, it would be hopelessly difficult to acquire the land later, not merely in financial terms but also in human terms, and this latter consideration is of paramount importance. Thus, even as an introduction to an urban land policy, the need of laying down certain national standards of acceptability is obvious and if there is a national land policy, it is bound to indicate such standards as will be enforced all over the country and will ensure not only that land is not wasted, but that all towns grow on the basis of certain desirable standards.

III

Another important aspect of urban land policy is the manner in which land should be procured for urban development. This has been the biggest hurdle throughout. Apart from delays in the acquisition of land either through legal processes or by negotiation, there is almost invariably an upsurge of resistance from owners of land and interminable controversy and litigation about "public purpose" and quantum of compensation. So long as our laws are what they are, it is not only natural but also right that owners of land should feel protected by the laws and have free access to courts of law for adjudication of disputes. On the other hand, the matter raises certain fundamental issues. The first one is whether the right to property in land should necessarily be a fundamental right. It can be argued that land belongs to the entire community and only its use can be made available to individuals. Thus, at any particular moment of time, the community can, through processes to be prescribed, take the land back from an individual and put it to some other use in the public interest. What is important is that such transfers should aim at public welfare. Even now the principle of 'eminent domain' is accepted and Government can procure land through the Land Acquisition Act, the only restriction being mainly in regard to the quantum of compensation. This being so, procedural difficulties in regard to the acquisition of land can perhaps be overcome and any steps to

improve upon the present procedures should not necessarily appear to infringe individual rights. As to the quantum of compensation, the community should not object to paying a reasonable amount for the loss caused to the occupant or the user of the land on account of its expropriation in favour of the State.

The Law Commission, which went into the question of payment of compensation, have recommended the continuance of the present formula of payment on the basis of market value on the date of publication of the notification under section 4 of the Land Acquisition Act and have also recommended the continuance of payment of solatium. The view of the Law Commission is obviously in favour of the *status quo* in all respects—(their proposals for certain amendments to the procedure for acquisition do not affect their acceptance of the principle). However, one has to take into consideration the fact that, on the date of notification, the land in question has already accumulated a large amount of unearned increment for which, by and large, the owner of the land or its user had put in no effort. Besides, if there can be a valid law for the acquisition of privately-owned slum properties at controlled prices, one wonders why a similar law cannot be enacted in regard to other built-up properties as well. As regards vacant plots in urban areas, in many cases they have enjoyed exemption from any tax for long years and this factor can be taken into account in assessing compensation.

The acceptance of the Law Commission's recommendations, that is to say, of the continuance of the present provisions of the law in regard to assessment of compensation, would result in compelling the community to protect and perpetuate speculative rise in prices. The acceptance of such a position appears somewhat paradoxical in the context of a Welfare State. No one can question the desirability of compensating an owner or user of land for the loss he suffers on account of deprivation of the use of land, but it would appear to be wholly wrong to reward him for a speculative rise in the price of land. It has to be remembered that any periodical rise in the value of land, and therefore of its price, is almost entirely due to the activities of the community and it is society alone which is entitled to such benefits. Undoubtedly, the user of a piece of land would be entitled to adequate compensation for any development carried out by him on the land but it is for serious consideration if he should have any share of the unearned increase. An urban land policy would naturally have to take this factor into consideration. What is important is that such a policy should not altogether sacrifice the principle of multitudinism nor treat land merely as any other marketable commodity. Such a

policy must necessarily take into consideration the total impact of urbanization—physical, social and economic—and not concern itself only with land as an isolated item unrelated to the entire urban ensemble. Should an amendment of the Constitution or of existing laws be necessary to ensure a better life for the community through rational dispensation of land, the necessary changes in the law should certainly be undertaken. As has already been emphasized, no meaningful philosophy will emerge until a careful glance is cast at the whole problem on a national scale and an integrated picture of land under uses other than urban is also constantly kept in mind.

IV

One thing appears fairly obvious, whatever the nature and content of an urban land policy,—and, in fact, even in the absence of any coherent policy in this regard—and that is that as time passes a larger measure of public control over urban land would come into operation. Even in *laissez faire* communities, greater public control over such land is now being exercised through a multitude of sophisticated devices—land use control, zoning and sub-division regulations, police powers, bye-laws, etc. In developed countries where some sort of a stable economy has been achieved and a certain minimum of wages and living standards is available to the people of the country, the approach to the problem is bound to be different and peripheral controls can help secure a large amount of public welfare. In economically backward societies, the position is radically different and easy-going measures, half-hearted socialistic efforts and a string of disjointed regulations is not only not likely to produce the desired results but even confound the issue. A bold philosophy must inspire policies and actions and in order to evolve such policies, our attitude towards urbanization itself must crystalize. Neither the Central Government nor the State Governments have adopted any clear cut policy in regard to urbanization in the over all context of our development plans and policies. Casual definitions have occasionally been attempted; the Second and Third Five Year Plans have referred to regional planning and the preparation of master plans; the Ministry of Housing has given meagre grants annually for the acquisition of land for urban development (of course, with a heavy bias towards housing) and similar isolated efforts are on record. But the problem of urbanization as such has received scant attention at policy-making levels. Aspects of it have been discussed now and then in committees and conferences, particularly in the Council of Local Self-Government, but the whole problem has seldom been discussed and considered and certainly no long-term consolidated urban policy has yet been formulated. And what

is particularly disconcerting is that most urban local bodies have tended to be in a state of comparative somnolence in this regard. Yet, individually, many voices draw attention to the "urban explosion" and caution us against the dire consequences of continued neglect. It will be easily appreciated that no sound urban land policy can be formulated in the absence of a fully constructive awareness of the problems of rapid (and, contemporaneously, haphazard) urbanization and policy of State in regard to it.

In the preceding paragraph a reference has been made to public control of urban land. It is necessary to point out that in the Indian context—the current context, at any rate—mere public control and regulation is not likely to help achieve the goals in view, unless, of course, we continue to treat land, as we have done so far, as a freely negotiable commodity, and do not bother to raise the standards of living in our towns and cities within the reach of the common man. And the common man in our country is uncommonly poor. The inescapable conclusion is that land must be treated qualitatively differently from other assets which can be exchanged on the counter and public control must give way to a large measure of public ownerhip. Nationalization of major national resources is no anathema in our country : the whole lot of princely states were, in a sense, nationalized, *zamindari* has been abolished and severe restrictions placed on large holdings in many places (a subject matter of much interesting controversy still among agricultural economists). Landlords and land-owners in the rural areas have in vast numbers become the tenants of the State and even though tenancy laws and regulations are still not ideal for the best agricultural production, no one can deny that a major progressive step has been taken. It needed vision and courage to introduce the revolutionary change; when it was made many people wondered if it would be possible so summarily to uproot an age-old tradition. The time has come --actually we are losing valuable time to our great disadvantage—for a revaluation of values in regard to the urban scene and an earnestness similar to what was shown in regard to agricultural lands is desperately needed in regard to urban land. There are administrative difficulties in wholesale nationalization of urban land and it is not intended to slur over them.

What is important, however, is a basic change in our approach toward urban land and the emergence of policies in the context of our economic and social goals. On the other hand, the existence side by side of privately-owned urban land enjoying the benefits of a spiral of staggering speculative rises in price (consequent, by and large, on environmental pressures and fluctuations in intensity of use brought

about by urban community forces) and publicly-owned land subject to comparatively strict countrol creates its own set of acute stresses and disparities which no amount of administrative action or fiscal policies can help reduce or eradicate. This state of disequilibrium will continue to exist so long as the marriage of these incommensurable elements is allowed to exist. It has, in addition, a very damaging psychological effect on the citizen. On the rebound, governments and public authorities continue to tighten control on publicly-owned lands to the great merriment of owners of free-hold land. Thus, any effective policy regarding urban land must enforce regulations and control simultaneously on privately-owned land as well, not merely through planning restrictions but through more positive and direct fiscal measures. Taxation is one such but it is remote in its effectiveness and not always produtive of the results sought, even if it cannot be dodged. New legal measures, mainly in the nature of administrative action (though not altogether free of financial nuances), can certainly be thought of.

The mopping up of the unearned increments is a device often employed to ensure an income out of transactions in publicly-owned land leased out to private users. It will be seen that this practice does not actually prevent or control rise in the price of land and therefore does not actually serve the community as such. On the contrary, in flourishing urban centres, it probably indirectly helps speculative tendencies and amounts to an acceptance by the State of the rather out-moded theory that land is like any other commodity and does not partake of the quality of a public utility. Reliance, therefore, on this method is basically a retrogressive act. If the thesis that land is essentially meant to benefit the community as contradistinguished from the individual is accepted, it is not unnatural to cavil at policies which help a periodical increase in the price of land (without very often altering the value appreciably). Attempts to seek a justification for such a policy on the ground that it is an additional source of revenue which is ultimately utilized for the benefit of the community would be in the nature of an intellectual *tour de force*. But if nothing else can be done either because of political reasons or inadequate awareness of the nature of the problem in its essentially socio-economic garb, one has no choice but to be reconciled.

We have emphasized earlier the need for measures to control free-hold land in an urban area, when it cannot immediately be brought under public ownership. An important aspect of an urban land policy, however, is the manner of utilization of publicly-owned land. The general practice is to lease out such land in the raw state

to prospective builders or cooperative societies of builders and to realize from them a substantial initial premium and an annual ground rent. In some cases, though rather limited quantitatively, a public authority develops the land and leases out plots to prospective users. In both cases, the lease terms prescribe some restrictions as to transferability and manner of use. In actual fact, however, transfers are generally permitted on payment of a variable share of the unearned increment in price (the fact that there is money in it seems to provide at once the justification and the inspiration for the policy and it seems to be forgotten that urban land is a comparatively rare commodity obtained with great difficulty and meant to facilitate urban activities). The net result of these practices (how can one call them policies?) is the virtual transfer of ownership of public land to private individuals and they help create vast quantities of very valuable private property for individuals at the expense and in the name of the community. Apart from moral considerations, the practice appears to be illogical and ultimately defeats the purpose for which it is adopted (the purpose manifestly being stabilization of land prices and availability of land to the vast majority of the people as well as to public authorities engaged in providing services, utilities and amenities to the population at cheap rates).

For one thing, it is worth consideration if a greater measure of restriction should not be imposed on transfers of plots to lease-holders (though the best course would be to ban it altogether), not in the shape of realizing a moiety of the sale proceeds, but so devised as to thwart the upward pressure of prices. The answer would lie perhaps in public authorities taking over the land (and the property built thereon on payment of reasonable price) themselves. The various administrative and other difficulties involved in such a course of action will have to be sorted out. Snags will doubtless still remain but it is not necessary to wait for the perfect solution because there will be no such solution! Really speaking the best course in our present economic conditions and the growing shortage of housing and other amenities would be for public authorities to undertake most of the housing construction. Land meant for industrial and commercial use can perhaps be auctioned and administrative and fiscal controls imposed on use and transfer. Of course, such measures would have to be further fortified by suitable taxation. Once, however, sound general attitudes are developed, policies and formulae to implement them would not be difficult to formulate. At present, as has been repeatedly pointed out in the course of this article, there is no policy at all and reliance is placed on piecemeal efforts and expediency, almost solely motivated by calculations

of profit rather than of service. If the directive principles of our Constitution mean anything, one can only say that the present practices are inconsistent with them. It must be reiterated that the mere acquisition of large quantities of land and its disposal (generally at good prices) either in the raw state or as developed plots is definitely *not* the objective of an urban land policy. The Delhi experience was most disheartening, where most of the land went into the possession of the comparatively affluent groups in society. And Administration is overwhelmed with all the pangs of conscience when land for housing the poorer sections of the community (vastly more numerous and incomparably helpless) has to be subsidized! And naturally, too, for having realized high prices in auctions, the norm is set at a high level for any assessment of the notional price of land.

VI

The proper use of precious urban land also calls for careful planning and prescription of standards suited to the requirements of the community and its capacity to bear those standards. There has to be a proper balancing of both factors—social and economic. It must, however, be pointed out that in regard to land, the major and the more urgent emphasis must necessarily be on the economic factor, as any artificial distortion in the interplay of economic forces is likely to produce much more devastating results than an adjustment of social factors. In this context, residential densities, compactness of use in industry and commerce and office accommodation, vertical development, adequate reservation for community facilities and utilities come into consideration. The tendency—alas! among a small though influential section of the community—is to encourage low density development even in and around the centre of the city. The economic consequences of such a development are hardly thought of. An urban centre worth the name is not meant for the comfort and convenience of only a few of its citizens. In economic terms, low density areas enjoy a certain amount of invisible subsidy from the community. The more fundamentally untenable aspect is wasteful use of land in a situation of perpetual scarcity of land. Large residential plots—in Delhi and some other towns, particularly cantonment areas, there are many plots of three to four acres each—for single families amount to a criminal waste of land, irrespective of whether a person has paid a fantastic price for it. For what is needed is land in suitable locations and not money. Besides, it is often not realized that a low density area means higher over-heads in regard to services and utilities. Any one driving through the plantation type of development in

New Delhi and so many other cities can notice the miles of wide roads and drains, water-pipes and electricity cables laid just for a handful of people. And they pay no more for these than the residents of high density areas do! No one can deny the desire of people to live in open surroundings with masses of open space and garden area to which one has private access but such a privilege should not be allowed to be exercised at the cost of the community or to the disadvantage of the development of the town. Such people have the choice of living away from the town and most of them can afford it. But to allow individual plots of large size (in the present context, one would imagine that anything more than 500 sq. yards would be a large plot) within the urban area and low densities to match would make non-sense of physical or economic planning. It is not the place to discuss the social and psychological consequences of the existence of larger plots in an urban area crying for land for housing and other needs. Plot size and its location have become symbols of status and drive a wedge among groups in an urban community. People used to living in bungalows in big plots find it so difficult to move into flats. This reluctance is not always based on a sense of discomfort as on loss of prestige. It may appear to be an unsupported conjecture but it does appear that in our country most people are attuned socially and physically to live in compact groups in high-density situations and there is not much evidence of any inherent aversion to it. So that efforts to increase densities in sparsely populated areas will not meet with much social discontent.

In illustrating the point by referring to the case of individual building plots, it is not intended to suggest that all urban development or any land policy should confine itself to this somewhat obvious and traditional solution for new areas. Group housing and apartment houses would undoubtedly result in better conservation and use of land but long-term policies will have to provide for a variety of solutions keeping in view social, economic and climatic factors. In this connection, public authorities concerned may consider, in the interim, imposing a new tax related to the size of the plot so that people wishing to enjoy the luxury of living in large plots in the urban area are required to pay for it. Similarly, those wishing to avail of such government housing should be required to pay an additional substantial amount, in addition to the controlled rent, based on the size of the plot, the attempt being to achieve some kind of a parity with economic rents and generally discourage the pernicious practice of allowing large plots with only very limited coverage. Measures like these, even though of the nature of palliatives, would be neither illogical nor inhuman. Property taxes can be further rationalized by having a two point tax—

one on land (which continues to appreciate in price) and the other on built-up property.

Attempts at dealing with urban land policy so far have mainly concerned themselves only with limited aspects of it—acquisition under the power of eminent domain, procedures for acquisition, justness of compensation, and remunerative disposal of the land so acquired. There has been incidental action in regard to speculation, but such action has suffered either on account of administrative timidity or inadequate appreciation of the problem in its totality. It is necessary to realize that a policy which does not emerge out of a comprehensive consideration of the urban problem will bring in its wake a series of imbalances and confound the cherished objectives. An urban land policy has to be embedded in a national land policy and an urban philosophy.

"The chief function of the city is to convert power into form, energy into culture, dead matter into the living symbols of art, biological reproduction into social creativity."

—LEWIS MUNFORD

URBAN AND REGIONAL PLANNING

T. J. Manickam and B. Misra

URBAN and regional planning aims essentially to create suitable physical environment conducive to healthy community life. It is no longer, 'the civic art' as it was before. It is now a distinct discipline, which analyses the complex human activities in order to achieve a rational use of land in towns and countryside. Town and regional planners aim at an orderly and integrated development of villages, cities and regions and thus have to operate within the legal frame-work pertaining to the development of land. Fiscal programming and capital budgeting and important aspects of urban and regional plans.

During the last half century, town planning as a discipline has undergone rapid changes both in its technique and scope. Towns and cities cannot be planned in isolation, their planning has to be integrated to that of the regions in which they are located. Long-term solution to urban problems lie in proper regional planning and development. A rational distribution of population, optimum utilization of resources and proper integration of the development of different parts of the country are the objectives of regional approach in planning. Thus planning of towns and cities has to be evolved within the overall frame-work of planning for regions.

During the past few decades all the developing countries of the world, particularly India, have been experiencing a phenomenal growth in their population and an accelerated increase in urbanization. An overall growth rate of 2·20 per cent per year on 440 million and much faster rate of growth of the urban population indicate the massive problem India faces at present. The problem is further complicated due to uneven regional distribution of urban population, and faster growth of larger cities. Much of the growth of the large cities is due to heavy immigration from the rural areas. This growth of population and the pattern of its spatial distribution have influenced the form and structure of villages, towns and cities.

Massive urbanization has been taking place in India and Indian towns and cities have expanded rapidly resulting in chaotic conditions, sprawling suburban areas, spiralling of land values, serious shortage

of housing and other urban infra-structure. Conditions in the metropolitan cities have become alarming and pose formidable problems to the physical planners. The sharp decline in the quality of urban life, and the ever-increasing imblanace in the distribution of urban population have led to the growing realization of the need and importance of a comprehensive approach in planning for development of the urban areas and the countryside.

An integrated and comprehensive approach in urban and regional planning is of recent origin in India and the national policy for urban and regional development is yet to crystalize.

The successive Five Year Plans took note of these problems but it was only in the Third Five Year Plan that planning for urban areas and the countryside received attention, and priority was given to the preparation of master plans for all major cities and port towns and regional plans for industrial development areas and river valley regions. Till recently, the national development plans in India lacked a spatial focus. By and large, planning for development was confined only to fiscal programming and isolated project planning without any objective whatsoever for a comprehensive or integrated development. There was hardly any worthwhile realization about the repurcussions of unrelated decisions in vital sectors like industry, transport and power on the settlement pattern and balance in regional development. However, in very recent years we have seen a trend of wider realization of the importance of a comprehensive approach to the development of urban and rural areas and their simultaneous implementation.

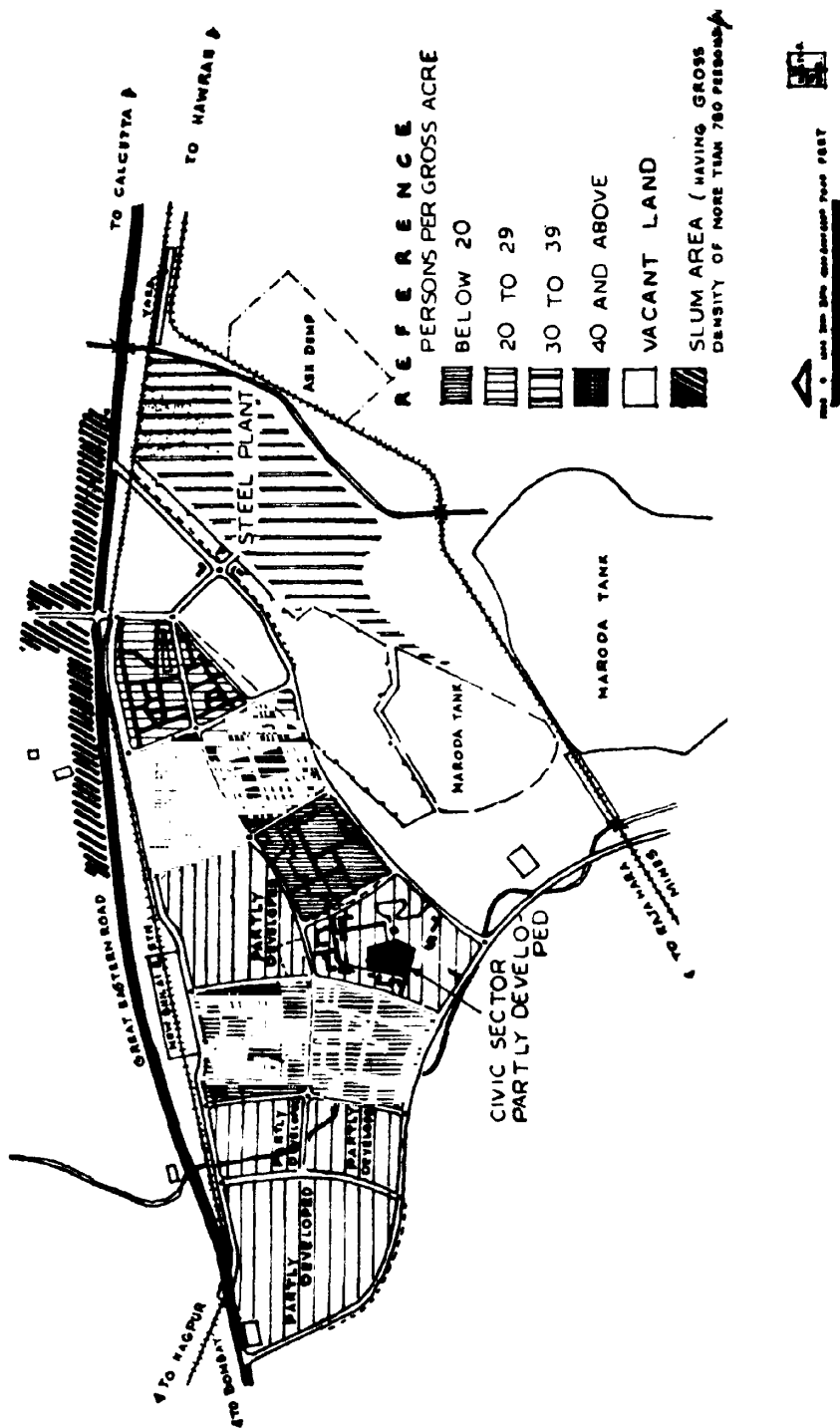
Unplanned urbanization which has resulted in rapid and regulated growth of towns and cities and has widened the cleavage between the rural and urban economies is, by and large, a product of the irrational industrial location policy in the national plans. The first three Five Year Plans, particularly the first two, laid emphasis on industries. Implications of such a heavy emphasis on industrialization with little or no attention on spatial planning for urbanization have been far-reaching. This has resulted in the construction of about thirty new towns since Independence. Most of these towns planned as single-purpose or single-enterprise communities and built by public corporations for large industrial projects have played a very insignificant role in bringing about a balanced distribution of urban population in the country. Lack of understanding of regional implications, faculty, and often overestimated assessment of requirements and slow and uncoordinated systems of implementation have made these towns grow as a wasteful expanse of urban land, characterized by very low

density, high cost of development, long commutation distances, etc. Almost all these towns co-exist with the worst slums which have come up outside their corporate limits. The rate of growth of most of these towns has been very low as compared to other towns and their contribution to the increase in urban population is insignificant.

This is true of all new towns in India irrespective of their type and function. Nearly 50 per cent of the acquired land lies undeveloped in most of the new towns. A major part of this uncommitted land will perhaps never be required for the township. In Rourkela, only 24 per cent of the total land acquired, *i.e.*, 40 per cent of the township area, is developed. In Chittaranjan, 50 per cent of the area acquired lies undeveloped and uncommitted. In Bhilai, and Durgapur the corresponding percentages are 79 and 70 respectively. All these indicate gross over-estimation of the land requirements resulting in wastage of agricultural land. Besides, the intensity of development in the developed land is also low. Average gross density in all new towns, with the exception of Chandigarh, is between 20 and 30 persons per acre. In some of these towns, particularly in Bhubaneswar and Sindri, the gross density is as low as 10 to 12 persons per acre. Such low density development is reflected in long distances for commutation, high cost of infrastructure and gross under-utilization of roads and community facilities. As is the case of Bhilai, the nearest sector to the work site or the plant site remains vacant, whereas the farthest has been developed. (*See* Figure No. 1).

Further, in almost all the industrial townships, due to lack of control and lack of provision for service population, particularly unskilled labour who are retrenched after the construction phase of the plant and the township, slums have grown just outside the limits of the township. In Bhilai, slums have developed as a continuous strip along the north of the National Highway in the immediate vicinity of the township. Recent estimations reveal that this clandestine growth contains more population than that of the township.

All these shortcomings of the new towns mentioned above are generally the result of lack of perspective in the design and lack of organization and coordination during the different stages of development.

On the other hand, the metropolitan centres have registered a steady and accelerated rate of growth and have expanded greatly, assuming vast, bulky, and complex structures often tending to lose the human scale. These unmanageable urban agglomerations have

grown at the cost of good agricultural land and usually have inefficient local administration because of paucity of local finance, multiplicity of local authorities and overlapping areas of jurisdiction. In these metropolitan centres the quality of urban life has declined and the social values are in jeopardy due to excessive congestion, squalor and grossly inadequate services and facilities. Nevertheless, paradoxical as it may appear, these centres produce a major share of the nation's wealth and still continue to be centres of industrial concentration. During the last decade, even though the Five Year Plans have pursued a policy of decentralization of industries, nearly 48 per cent of the total small industrial development has come in and around the major metropolitan centres. The industrial dispersal policy and the balanced regional development has so far brought little success. This is evident from the fact that the new towns have made little contribution to the general process of urbanization and the metropolitan cities have been growing at a much faster rate than the medium and small towns during the last decade or so.

In spite of economic advantages, wider range of employment, wealth, etc., metropolitan cities are really in crisis. These have lured large scale immigration from rural areas but have not been able to provide adequate employment. They have a serious backlog of services, facilities, utilities, and their economy is extremely strained due to over-congestion, large floating or commuting population, and inextricably complex mixing of a wide range of activities which have little room to expand. Housing is in a deplorable state in all the metropolitan cities. Housing construction has lagged far behind the demand. In the Calcutta Metropolitan District, nearly 55 per cent of the population consist of immigrants. In Delhi, 69 per cent of the households are classed as sub-standard, about 30 per cent of the total population live in slums and the average number of living rooms per household is only 1·4. Conditions in Calcutta and parts of Bombay are worse. Added to it, expansion of housing activity in the private sector is limited to only 20 per cent of the total, and the Government housing falls far short of the demand.

Urbanization in India is expected to grow faster and by 1981, 30 per cent of the total population will be in urban areas as against 18 per cent in 1961. This means about 100 million more will be added to the present urban population by 1991. Such rapidity in urbanization is bound to upset further the already strained economy of the urban areas. Thus, planning of the major metropolitan centres with a view to controlling their amorphous expansion, to stabilizing their economy and providing them with adequate services, facilities and

utilities is a colossal task and is extremely complicated. This demands that the national policy for urbanization be put on sound rationale and should have a practical approach.

As is true of all developing countries, massive urbanization is proceeding at a faster rate than industrialization resulting in widening the gap between the levels of economic development and growth of towns. The urban areas have expanded without a strong economic base resulting in sub-standard living conditions. Such a situation puts a heavy strain on the meagre capital resources of the country demanding heavy outlays on urban infra-structure and social overheads. It is thus necessary to recognize and understand the factors and forces of urbanization, its structural characteristics, its impact on the changing physical and economic environment and the social profile of the country. It is also necessary to assess the urban and regional problems in their totality and in perspective in order to provide an integrated frame-work for Government policies and decisions. Precise detailing of the immediate action to gain the maximum benefit from minimum investments, proper assessment of the performances of the plan-implementing authorities, constant evaluation of the progress achieved in the implementation of the plans and simultaneous planning of towns and regions are the essential requisites of urban and regional planning in India.

Urbanization is an inevitable phenomenon in all developing countries, therefore, all efforts to curb or restrict such a process will be futile. It is necessary to be realistic and positive in our approach and guide and plan our urbanization so that it is conducive to balanced economic development of the country. Massive urbanization brings profound structural changes in the physical, economic and social profiles of the towns and regions. The national urbanization policy should enable the communities to adjust to these changes and grow accordingly.

National Five Year Plans, though they have aimed at balanced development of different regions in India, have seriously lacked a spatial dimension. Industrial location policy still remains unrelated to the process of urbanization. Piecemeal and isolated industrial location decisions and excessive reliance on unpracticable 'small-town centred' urbanization continue to dominate the national development plans. There is a dire need for a comprehensive and practical approach in our Plans. The objective of industrial dispersal by decongesting large cities, by limiting the growth ofc h' rourban communities and by establishing new towns is unrealistic and irrational. Small towns

lack seriously in infra-structure and are economically unstable. In order to make these towns suitable to accommodate new and varied industrial activities, huge capital investment for improvement of their infra-structure is needed. In the absence of such an investment small towns have had little or no attraction for industries. A bulk of the industrial activity, as indicated earlier, has gone in cities with population 0·1 million and over. In 1961, 45·6 per cent of the total number of industrial units licensed under the Industries Act of 1951 was in cities with one million and more population. Forty per cent of the industrial estates have been located in cities having 0·1 million or more population. Nullifying the objective of industrial dispersal, some of the largest industrial estates were located in the metropolitan cities. To give an idea of industrial importance of the metropolitan cities, it can be said that Calcutta and Bombay have 25 and 37 per cent of the total industrial workers in registered factories of their States respectively.

The foregoing would indicate that the large cities have continued to be the foci of industrial concentration irrespective of their faltering economy, over-crowding and imbalances. The metropolitan cities have had little 'recuperation' time to cope with the rapid growth in population and industrial activity and further their growth had hardly been planned and regulated. This has led to their chaotic and amorphous growth which needs to be controlled and regulated. On the other hand, the policy of developing small towns and establishing new towns has made little success.

Thus the strategy of National Policy for Urbanization should bear a practicable though flexible, approach and should aim at solving the long-term problems of urban areas by preparing comprehensive regional development programmes and by identifying proper growth nodes as foci for industrial development.

May it be a 'town centred' approach or 'metropolitan centred' approach for urbanization, towns and cities have to be planned within the overall frame-work of comprehensive development of regions in which they are situated.

There have been a few but worthwhile efforts in India to plan for metropolitan regions. Endeavours to prepare regional development plans for all the six metropolitan centres in India under the Third Five Year Plan are no doubt commendable. But there is still a lot to be done to make these plans effective, practical and worthy of implementation. There are serious bottlenecks as regards local Government

finance, statutory backing, and coordination between the plan formulating and implementing authorities. Multiplicity of local bodies with overlapping areas of jurisdiction, conflicting powers and functions in the metropolitan regions are other hindrances. The Calcutta Metropolitan Planning District covering an area of about 460 square miles comprises four municipal corporations, namely, Calcutta, Howrah, Bally and Chandarnagar and 29 municipalities and 37 non-municipal urban areas. Besides these, it also includes about 85 to 90 sq. miles of rural area. All the local bodies have their role to play in the implementation of development programme. Metropolitan agglomerations with enormous and complex problems of administration call for a shift from the traditional systems and techniques of administration and for creating new institutions of local government. The local governments have to be essential instruments in formulation and implementation of development plans and in securing public participation at all stages of the planning process. (See Figure No. 2).

In order to control and regulate the growth of metropolitan centres, medium and small-sized towns around these have to be expanded and strengthened with adequate provision of infra-structure so that they are able to receive the overspill of population and activities from the large cities. This demands that detailed and comprehensive inventories be prepared for all the medium and small towns and their growth propensities be properly assessed.

The idea of establishing new towns should not be curbed wherever absolutely necessary but there is an imperative need to have a new Town Policy which will guide the size, function and design of the new towns. New towns should not reflect the age-old traditional techniques of urban design, but should be based on new and modern techniques of urban planning and architectural design and should be symbols of technical, cultural and economic progress of the country.

As indicated earlier, regional planning should form the genesis for the National Development Plans. Regions have to be delineated and their development is to be guided depending upon their growth propensity. This entails regionalization for planning which will enable assessment of the growth potential of each region, the extent of contribution of each region to the National Wealth and share of benefit in return from the national development.

Recently a number of regional planning boards and organizations have been set up in India, but each of these functions differently and there is little coordination among them. There should be proper

sectoral coordination between the different regional development programmes.

Further there is need to plan for specialized regions separately but within the frame-work of the National Development Plans. In India, two examples of this kind have been undertaken. One is the South East Resource Region and the other is the National Capital Region. The South-East Resource Region comprise the watershed region of the Damodar Valley, the Dandakaranya and the adjacent areas and covers 0·36 million sq. Kms. in West Bengal, Bihar, Orissa and Madhya Pradesh. Irrespective of vast resources of complementary natural resources, the region is characterized by low productivity per unit of labour and land, resulting in very low per capita income and standard of living. It has about 95 per cent of the good quality coal reserves of the country, 80 per cent of iron reserves and 48 per cent of the manganese reserves. It has the highest concentration of major and medium scale industries including three large steel plants. The delineation of this region is based on a number of factors, namely, climate, physiography, vegetation, soil, distribution of human and natural resources, cropping pattern and levels of economic development. The technique aims at "identifying an area of maximum similarity and distinctiveness through a series of boundary girdles". Though urban population constitutes only 9·4 per cent of the total population, it is growing at a rate three and half times faster than that of the country. The presence of Calcutta, Haldia, Paradip and Visakhapatnam ports nearby enhances the importance of the region. The preparation of the development plan is envisaged to be done by a joint Planning Board comprising representatives of the concerned States and the Central Ministries like Transport, Railways, Industries and regional agencies like D.V.C. and Dandakaranya. (See Figure Nos. 3 & 4).

Due to the phenomenal growth of the population of Delhi metropolis and some other towns near it, the nature and character of urbanization in the Delhi metropolitan area and its immediate surroundings, has undergone great change. In order to plan the development of this area within the influence of the Delhi metropolis, an area with a radius of 70 miles from Delhi has been earmarked for development as the National Capital region. It includes the Delhi Union Territory and parts of Haryana, Punjab, and Rajasthan States. It extends over 12,600 sq. miles and is estimated to have 21·8 million persons by 1981.

The success of such programmes lies in precise calculation of the future trends of change in the economic base and the social and

cultural profiles of the regions and a proper coordination of all developmental activities within them. Such programmes are very useful, for they involve total and comprehensive planning of key regions and provide ample scope for experimentation of new ideas and techniques of planning.

Besides the acute shortage of finance and technical personnel the major problems in the field of urban and regional planning in India have been : (*a*) Lack of proper organization and coordination amongst the plan formulating and implementing authorities, (*b*) Absence of adequate statutory backing, and (*c*) Absence of adequate ways and means for public participation in the planning process. In order to make urban and regional planning more effective and practical the following may be suggested:

(*a*) Crystallization of a national policy for urban and regional development ;

(*b*) Smoothening and streamlining of the functioning of local governments and strengthening of their economy;

(*c*) Preparation of action plans for each development programme and phasing them suitably;

(*d*) Multiplicity of local government authorities should be avoided ; and

(*e*) Development plans should be flexible in character and should be properly coordinated with fiscal programming at all stages.

LAND USE PATTERNS OF INDIA'S CITIES & TOWNS

*Town & Country Planning Organization**

SPECTACULAR indeed has been the pace of urbanization in India. Its urban areas have increased in numbers from 1910 in 1901 to 2690 in 1961. Of the urban areas, cities with over 1 lakh population increased from 27 in 1901 to 107 in 1961. During 1951-61 alone their number went up from 74 to 107. The urban population increased three times as fast as the rural and trebled itself over the past 60 years. As against an urban population of 2·6 crores at the beginning of the century, it now has an urban population of 7·9 crores representing about 18 per cent of the country's total population. On adjusting the 1951 urban population on the basis of the 1961 census definition, the increase in urban population during 1951-61 is estimated to have been 45 per cent.[1]

It is remarkable, however, that all these phenomenal accretions to India's urban population have not been evenly distributed either as between the different regions[2] or as between the urban areas of various population sizes. Over the decades the cities and big towns have steadily gained in population absolutely and relatively. Cities with over one lakh population accommodated about 6 million persons or 23 per cent of the urban population in 1901. In 1961 they had about six times that population and their relative share in the urban population had increased to over 44 per cent. These Class I cities claimed more than half of the increase in urban population since 1931. During the last decade itself nearly two-thirds of the increase in urban population came to be concentrated in Class I cities. In 1961 the 7 largest cities accounted for a little less than one-fifth of India's urban population. On the other hand, the relative share of small towns which the Census of India categorises as Class IV, V and VI towns, *i.e.*, towns with a population of less than 20,000 went on declining from

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* Received through the courtesy of the Chairman, Town & Country Planning Organization, Ministry of Health, Family Planning and Urban Development, New Delhi.

[1] Under the 1961 definition, the urban population in 1951 was 54 million as against 79 million in 1961. This gives a percentage increase of 45 per cent. (M. K. Premi, *India Population Bulletin*, No. II, August, '61 cited by Ved Prakash in "Financing New Towns in India", Cornell University, Ph. D. Thesis.

[2] The ratio of urban population to total population is behind the national average of 18 per cent in Assam (7·7 per cent), Bihar (8·4 per cent), Orissa (6·3 per cent) & U.P. (12·3 per cent).

decade to decade. Whereas they had 23, 19 and 7·7 per cent of India's urban population in 1901, by 1961 their share in the urban population had been reduced to 14, 7·6 and 1·3 per cent respectively.

Some important questions which this substantial and rapid increase in urban population poses are : How is all this surging mass of humanity being accommodated in our cities and towns? How is the physical configuration of the urban settlements being affected by the demographic pressure, *i.e.*, are our urban boundaries sprawling haphazardly or expanding in an organized manner and at a rate commensurate with the rate of increase in urban population? Alternatively, is there any need for reorganizing the city limits on account of the population pressure? Is the utilization of urban space becoming more and more intensive and has this intensity attained a point where it begins to endanger the community's health and welfare? Does the process of intensification hold equally good for all urban settlements or are there any differences in this regard as between urban areas of different population sizes? Is there any evidence to indicate that within a given urban area space is under-utilized in some parts and over-utilized in others. Besides the use of land for residential purposes, how is urban land being allocated for economic and social functions of the urban areas? Do our cities and towns provide the right quantity of land for roads and highways, industries, trade and commerce, colleges and schools, hospitals and dispensaries and parks and playgrounds, etc.? How do our existing land uses compare with the space standards being recommended by the town planners?

The above and a host of other related questions make it incumbent that a study of the existing land use patterns in our cities and towns be undertaken. This report makes an attempt in that direction. Data for this study were collected through a questionnaire. It was addressed to the State Town Planning Departments. Information was obtained on land uses in respect of those cities and towns for which they have already conducted the land use surveys in the process of preparing master plans. As the availability of the desired data depended on land use surveys having been carried out—and such places were very few—it was not possible to resort to any systematic sampling of the cities and towns and whatever data were available had to be made use of.

In response to the questionnaire about 140 filled-in schedules for various cities and towns in the different parts of the country were received. Of these, 103 schedules were found usable and analysis in this Report are based on information contained therein. The remaining schedules appeared to suffer from certain inexplicable

liscrepancies and could not, therefore, be utilized. The 103 urban areas vhose data have been analysed include 35 cities of over 1 lakh popuation each and 68 medium and small towns. In terms of population hese urban areas range from a little over 8,000 (Karjan) to over 29 akhs (Calcutta) distributed in the various population ranges as given 1 Table 1. As regards their State-wise distribution, the posion may be seen at Table 2. It might, however, be summarily oberved that cities and towns covered by the study are fairly represenitive of the urban areas of all classes belonging, in varying degree, › almost all the States. Looked at from the point of view of their redominant functional traits or occupational characteristics, these)3 cities and towns include 40 manufacturing, 10 trade and transort and 49 service towns. Incidentally this distribution largely aproximates to the functional classification of India's urban areas as a hole.

TABLE I

Distribution of Cities and Towns by Size of Population

No.	*Population Group*	*Number*	*Remarks*
1	10,00,000 & above	5	Class I
2	5,00,000–10,00,000	4	
3	2,00,000– 5,00,000	8	
4	1,00,000– 2,00,000	18	
5	50,000– 1,00,000	24	Class II
6	20,000– 50,000	31	Class III
7	Less than 20,000	13	Class IV to VI.
	TOTAL	103	

The results of our study have been presented in the next section; d the last section is devoted to a statement of certain limitations the data and the analyses based thereon. A caveat must be sounded it the inferences and conclusions of this study be read and appreted subject to those limitations. Before we pass on to discuss our lings and conclusions it is necessary to explain what precisely the ious terms and concepts used in the study connote.

Developed Area refers to the area within city limits which has been eloped for urban uses. Land for residential, industrial, commerl and public purposes or land under roads, parks, play-grounds and :n spaces is covered under this definition. Pockets of vacant land hin such an area are also included in this category. Area within mal municial limits but lying under agricultural use or area which

has not yet been rendered fit enough for urban use because the essential urban services like water supply, drainage, sewer age, roads, etc., have not been provided therein has been defined as 'undeveloped area'.

TABLE 2

Distribution of Cities and Towns by States

Sl. No.	*Name of the State*	*No. of Towns*
1.	Andhra Pradesh	2
2.	Assam	2
3.	Bihar	5
4.	Gujarat	12
5.	Kerala	14
6.	Madhya Pradesh	2
7.	Madras	11
8.	Mysore	7
9.	Maharashtra	16
10.	Orissa	3
11.	Punjab	1
12.	Rajasthan	5
13.	Uttar Pradesh	2
14.	West Bengal	19
15.	Union Territories	2
	TOTAL	103

Gross Density refers to the overall density of an urban area arrived at by dividing the total urban area—developed and undeveloped - by the total population thereof. *Developed Area Density* refers to the density of total city population related to area defined as 'developed'. *Residential Density* refers to the total number of inhabitants putting up over a unit of residential area. *Maximum and Minimum Densities* connote the largest and smallest number of persons putting up in a unit of area. These, in fact, are spot densities over very small areas and serve merely to indicate the extremes in density distribution.

Terms like *residential area, industrial area, commercial area* or *area under public and semi-public uses* indicate the predominant use of land. Within each of such uses there may be a mix of many other compatible or non-compatible uses. The designation of any area as such may, therefore, be not a little imprecise, especially because clearly identifiable segregation of functions or uses in our urban areas is a rarity whereas intractable mixture or even mess of uses and functions is the rule. Even though the designation of areas by their dominant character is quite self-explanatory a few remarks concerning them are called for. *Industrial use* includes heavy, medium, light and service industries. *Commercial use* includes wholesaling, retailing,

storage and warehousing and service uses. *Public and semi-public uses* refers to use of land for public buildings, office premises of government and other public authorities, educational, health and cultural institutions which are non-commercial in their operation and open to general public. Railway lands are also included in this category. *Others* include land under defence authorities and miscellaneous uses not covered elsewhere.

ANALYSIS AND FINDINGS

Area and Population

According to data available from the 1961 census publications the 103 cities and towns which were studied have an area of 8·4 lakh acres and a population of 21 crores. These cities and towns account for 3·6 per cent of the total number of urban areas and about 27 per cent of India's urban population. The high percentage of population is due to about one-third of the surveyed cities and towns belonging to Class I category. In the year 1951 these cities and towns had an area of 6·6 lakh acres and a population of 1·68 crores. Thus during the census decade 1951-61 the area of these cities and towns taken together increased by 27·3 per cent as against a population increase of 30 per cent. But as the extension of the municipal limits during the period has been recorded for not more than 38 of the 103 cities and towns the inference is that in a majority of the cities and towns the additional population should have got accommodated within the same physical area leading to further densification. On the other hand, in quite a few of the urban areas whose municipal limits were enlarged, the expansion of the municipal limits seems to have been out of proportion to the decadal increase in their respective population. For example, in the case of Kanpur, Lucknow and Bombay the increase in area was 480, 122 and 86 per cent against a corresponding population increase of 39, 34 and 40 per cent respectively.

Densities

On relating the population of these cities and towns with the total, developed and residential area interesting results are arrived at. These are highlighted by the figures given in Table 3. It is observed that these cities and towns taken together have an average gross density of 33, developed area density of 57 and residential density of 121 persons per acre.[3] These averages, however, are quite deceptive

[3] These densities are considerably higher than those of American and British cities which are reported to have 14 and 15 persons per acre in their developed areas.

TABLE 3

Densities of Cities and Towns (persons per acre)

Sl. No.	Population group	No. of towns to which data relate	Gross density	Developed density	Residential density	Maximum spot density	Minimum spot density	Remarks
1.	10,00,000 and over ..	5	71	97	257	5,228	15	Two cities have not reported Max. & Min. density.
2.	5,00,000-10,00,000 ..	4	28	53	137	815	11	-do-
3.	2,00,000—5,00,000 ..	8	29	42	86	665	5	Two towns have not reported Max. & Min. density.
4.	1,00,000— 2,00,000	18	20	35	63	410	2	-do-
5.	50,000—1,00,000 ..	24	20	41	73	478	4	Eight towns have not reported Max. & Min. density.
6.	20,000— 50,000	31	17	33	58	661	3	Seven towns have not reported Max. & Min. density.
7.	Less than 20,000 ..	13	6	26	48	330	2	One town has not reported Max. & Min. density.
	TOTAL ..	103	33	57	121	5,228	2	

Source : Compiled from filled-in Schedules and General Population Table, Census of India, 1961.

at least on two counts. First, behind these averages there are striking differences as between cities and towns in various population ranges and even as between cities and towns within the same population range. Secondly, these are over-weighted by the data of class I cities generally and the 9 cities in top two categories particularly. As such they do not describe the situation as it actually prevails in cities and towns whose population is less than 5 lakhs.

A more realistic picture about the densities—gross, developed area and residential—may be had from Tables 4, 5 and 6. A few of their salient point may, however, be stated here. Of the 103 cities and towns, 40 have gross densities of less than 20 persons per acre, 38 have between 20-40, 22 have between 40-80 and only three have gross densities of over 80 persons per acre. In 71 out of the 103 cities and towns, developed area densities are less than 60 whereas highest developed area densities of over 120 persons per acre are found only in 14 cities and towns. In regard to residential densities, 45 urban areas have less than 100; 43 have between 100 to 200 and 15 have residential densities of over 200 persons per acre. In all these Tables the largest metropolitan cities of Bombay, Calcutta, Delhi and Ahmedabad figure in the highest frequency range which amply indicates the high degree of congestion and over-crowding in them.

TABLE 4

Frequency Distribution of Cities and Towns by Gross Density (persons per acre)

Sl. No.	*Frequency Range*	*No of cities and towns*	*Some Important Individual Examples*
1.	Less than 20	40	Jharsuguda (2), K.C.F. City (10) and Kanpur (15)
2.	20–40	38	Gaya (20), Lucknow (30) and Shimoga (37)
3.	40-60	18	Asansol (40), Ahmedabad (50) and Delhi (59)
4.	60–80	4	Veraval (60), Uttarpara (64) and Indore (67)
5.	80 and above	3	Pondicherry (80), Calcutta (124) and Bombay Island City (160)

Whereas cities with a population of over 10 lakhs have an average gross density of 71, developed area density of 97 and residential density of 257 persons per acre, in towns of less than 20,000 population, the corresponding density figures are as low as 6, 26 and 48 persons per acre respectively. Cities in the population range of 2 to 10

TABLE 5

Frequency Distribution of Cities and Towns by Developed Area Density (persons per acre)

Sl. No.	*Frequency Range*	*No. of Cities and Towns*	*Some Important Individual Examlpes*
1.	Less than 30	25	Phalton (10), Kota (21) and Jaipur (28)
2	30—60	46	Muzaffarpur (30), Hyderabad (44) and Gaya (58)
3.	60—90	22	Delhi (64), Bhatpara (76) and Asansol (84)
4.	90—120	6	Ahmedabad (100), Veraval (107) and Indore (118)
5.	120 and above	14	Satana (145), Calcutta (157), Bombay (185) and Sahada (203).

TABLE 6

Frequency Distribution of Cities and Towns by Residential Density (persons per acre)

Sl No	*Frequency Range*	*No. of Cities and Towns*	*Some Important Individual Examples*
1	Less than 50	17	Phalton (12), Calicut (37), and Hazaribagh (45)
2	50—100	28	Cuttack (50), Hyderabad (82) and Jaipur (92)
3.	100—150	31	Barrackpore (103), Kanpur (126) and Bhopal (148)
4.	150—200	12	Lucknow (155), Bhatpara (175) and Tiruchirapalli (188)
5.	200 and above	15	Ahmedabad (292), Delhi (332) and Bombay (531)

lakhs have a gross density of less than 30 and urban areas in the population range of 20,000 to 2 lakhs a gross density of 20 persons per acre or a little less. The average gross densities in the metropolitan cities with a population of over 10 lakhs is thus two and a half times the gross density observed in cities within the population range of 2 to 10 lakhs, about 4 times that of cities and towns with 20,000 to 2 lakh population and about 12 times the average gross density in small towns having a

population of less than 20,000. It is remarkable that the gross density goes on declining as the size of cities and towns becomes smaller and smaller. There, however, are notable exceptions to this rule among cities and towns of all sizes. It is further observed that the developed area density roughly works out to twice and the residential density to approximately three times the gross density in the case of all the urban areas excluding either the cities of over 10 lakh population or small towns with less than 20,000 population. In the case of small towns the developed area density is about 4 times and residential density about 8 times the gross density.

A perusal of the residential density figures in Table 3 reveals that except in cities of over 5 lakhs population in whose case the average residential density figures are very high, *viz.*, 257 persons per acre in cities with over 10 lakh population and 137 in cities with 5 to 10 lakh population, in a majority of cities and towns falling in lower population ranges the residential densities (varying from 48 to 86 persons per acre) are relatively low. It might also be stated that the data in respect of Bombay and Calcutta among the top cities do not pertain to the whole of the respective metropolises but only to "island city" in the case of Bombay and Calcutta Corporation in the case of Calcutta. If the area and population figures for Greater Bombay and Calcutta metropolitan area were available the averages would have definitely been lower and the picture then would not have looked as bad as partial data make it out to be.

A significant point that emerges from the above discussion on densities is that a large majority of our cities and towns have densities which might well be considered as being within tolerable limits and even far below the standards which may be considered appropriate in Indian conditions. If a planned gross density standard of 30 to 40 and an average residential density standard of 100 to 120 persons per acre for cities over one lakh population and a lower standard of 25 for gross and 60 for residential density in the case of towns with less than one lakh population were considered reasonable then most of our cities and towns with less than 5 lakh population would be found having densities lower than these standards. This implies that for quite some time to come our urban areas are capable of taking in considerable additional population without any expansion of the urban limits.

Another significant point is that the range of variation in the densities in our cities and towns is extremely wide. As against minimum spot densities of 2 to 3 persons per acre and maximum densities of over 300 to 600 persons per acre in the smaller towns, the density

variations are from 15 to a few thousand persons per acre in Calcutta, Delhi and other metropolitan cities. It is true that these minimum and maximum densities are spot densities and the extent of the areas under high and low density in these cities and towns is not precisely known from the data collected by us. Yet the wide differentials between gross densities and developed area and residential densities on the one hand and the wide range of variation in the minimum and maximum densities on the other lead to two inferences.

The first inference is that the population within our cities and towns is polarised into high and low densities and there is as much need to de-congest the congested and over-crowded areas as there is to densify the low density areas. Even in smaller towns where the gross densities are low and some surplus space in the form of undeveloped land exists the tendency might have been one of concentration of population in the historically well established urban cores which are nearer to work centres and where the rents of residential accommodation are lower. Alternatively, it may be reflecting the current fashion of developing new areas at low densities which, for obvious reasons, are relatively high rental areas. The second inference is that programmes for the planned development of our urban areas must first aim at optimising the use of land available within urban limits through even redistribution of the existing and prospective population rather than expand the urbanizable limits simply because of the fear of encountering difficulties (like compulsory acquisition and payment of compensation, etc.) in utilising the existing surplus land within the urban limits.

Developed and Undeveloped Land

Coming to the extent of developed and undeveloped land in the cities and towns and the availability of land in relation to population living in them, the relevant data are presented in Table 7. As will be observed therefrom the average area of a city with a population of over 5 lakhs is 25,000 acres or a little more. The average area of a city in the next below population range, *viz.*, 2-5 lakhs is about one-third of the average for the largest city. Cities in the population range of 1-2 lakhs have an average area of about 7,000 acres whereas towns having half that population have approximately half the average area. Towns of less than 50,000 population have an average area of about 2,100 acres.

Of the total area of all the 103 cities and towns taken together 58·8 per cent is developed and the remaining 41 per cent undeveloped. A perusal of Table 8 will reveal that of the 103 cities and towns

TABLE 7

Availability of Land and the Extent of Developed and Undeveloped Area in Cities and Towns

Sl. No.	Population Group	No. of cities and towns to which data relate	Total area (acres)	Average area (acres)	Percentage of developed area to total area	Percentage of Undeveloped area to total area	Availability of land per 1,000 persons (in acres)		
							Developed	Undeveloped	Total
1.	10 lakh & over	5	1,44,467	28,893	74·0	26·0	10·30	3·70	14·00
2.	5 lakh—10 lakh	4	1,01,525	25,381	53·9	46·1	18·92	16·16	35·08
3.	2 lakh—5 lakh	8	78,372	9,796	69·0	31·0	23·75	10·65	34·40
4.	1 lakh—2 lakh	18	1,25,051	6,947	56·9	43·1	28·56	21·65	50·21
5.	50,000—1 lakh	24	81,379	3,391	50·0	50·0	24·57	24·42	48·99
6.	20,000—50,000	31	64,854	2,092	50·4	49·6	30·07	29·56	59·63
7.	Less than 20,000	13	27,407	2,108	23·5	76·5	38·85	126·31	165·16
	TOTAL	103	6,23,055	6,049	58·8	41·2	17·55	12·30	29·85

as many as 43 have less than 50 per cent developed area and 37 have between 50 to 80 per cent developed area. Only 23 cities and towns have over 80 per cent of their area in a developed form. The highest percentage of developed area, namely 74, is in cities of over 10 lakh population. Even among these Delhi and Bombay Island City have the highest percentages *viz.* 90·6 and 90·4 respectively. Cities in the population range of 2-5 lakhs also have a relatively high proportion (69 per cent) of developed land. Cities and towns in all the other population ranges excepting the smallest towns have about 50 per cent developed land. For all Class I cities the average percentage of developed land works out to about 64. Smallest towns with less than 20,000 population have the lowest percentage of developed area, *viz.*, 23·5. Sufficient direct co-relationship thus seems to exist between the size of city or town and the extent of area developed for urban uses. It is significant that in a majority of the cities and towns the undeveloped area within formal municipal limits is approximately half of the total area. In the smallest towns of less than 20,000 population over three-fourths of the area appears to be still undeveloped.

TABLE 8

Frequency Distribution of Cities and Towns by Extent of Developed Area as a Percentage of Total Area

Sl. No.	*Frequency Range*	*No. of Cities and Towns*		*Some Important Individual Examples*
1.	Less than 20	5		Karjan (7·5%), Satana (9·5%) and Jharsuguda (14·1%)
2	20–30	11		Tirrupur (24·0%), Kolar Gold Field (26·2%), and Bhopal (26·8%)
3	30–40	11	43	Chopda (32·6%), Kanpur (37·0%), and South Suburban (37·8%).
4.	40–50	16		Bhagalpur (42·5%), Ludhiana (47·4%), and Junagadh (49·6%).
5.	50–60	11		Ahmedabad (50·1%), Indore (56·8%) & Broach (58·5%)
6.	60–70	15		Hyderabad (60·7%), Howrah (61·5%), and Lucknow (65·4%)
7.	70–80	11	37	Coimbatore (78·6%), Trivandrum (78·6%), and Calcutta (78·8%).
8	80–90	11		Muzaffarpur (80·0%), Mattancherry (86·9%), and Trichur (89·6%).
9	90–100	12	23	Bombay Island City (90·4%), Bangalore Corporation (95%), Pondicherry and Hasan (100%).

Man-Land Ratios

As regards the availability of total and developed land (per thousand persons) in the 103 cities and towns the position is given in Tables 9 and 10. It would be noted therefrom that 45 of the 103 cities

TABLE 9

Frequency Distribution of Cities and Towns by Total Area per 1000 Persons (acres)

Sl. No.	*Frequency Range*	*No. of cities & towns*	*Important individual examples*
1.	Less than 20	16	Bombay (7·0), Howrah (14·1) & Bangalore (18·6)
2.	20–40	29	Surendernagar (21·9), Lucknow (33·4) & Jaipur (38·5)
3.	40–60	21	South Suburban (40·2), Gaya (49·9) & Cannanore (58·2)
4.	60–80	15	Alleppey (62·2), Kottayam (68·1) & Sikar (76·2)
5.	80–100	10	Tinsukia (81·2), Ranchi (88·3) & K.G.F. City (96·2)
6.	100 and above	12	Parur (107·9), Barasat (149·4) & Dabhoi (190·9)

TABLE 10

Frequency Distribution of Cities and Towns by Developed Area per 1000 Persons (acres)

Sl. No.	*Frequency Range*	*No. of cities & towns*	*Important individual examples*
1.	Less than 10	9	Bombay (5·5), Calcutta (6·4) and Srirangam (9·5)
2.	10–20	37	Ahmedabad (10·0), Coimbatore (14·4) & Ludhiana (19·7)
3.	20–30	28	Hyderabad (22·5), K.G.F. City (25·2) & Pandharpur (28·5)
4.	30–40	12	Mangalore (31·6), Jaipur (35·7) and Trichur (38·4)
5.	40–50	7	Siliguri (40·8), Puri (44·9) & Cuttack (49·6)
6.	50 and above	10	Cannanore (54·9), Parur (91·5) and Badagara (98·4).

and towns have less than 40 acres, 36 have 40 to 80 acres and 22 have more than 80 acres of land per thousand of population. The availability of developed land per thousand persons is much smaller. In 46 cities and towns less than 20 acres of developed land per thousand is available, in 47 it ranges between 20 to 50 acres and in only 10 cities and towns more than 50 acres of developed land is available per thousand population. Bombay, Clacutta and Howrah are among the cities where the availability of total and developed land is the lowest.

It was stated that the percentage of developed area generally varies directly with the size of the city and town. The availability of land, however, seems to vary inversely, *i.e.*, the bigger the size of the city or town, generally speaking, the smaller is the availability of land per thousand persons.[4] As against an availability of about 14 acres per thousand persons in the case of cities over 10 lakh population and about 35 acres in the case of cities having 2 to 10 lakh population, in the cities and towns in other population ranges the availability of land per thousand persons is about 50 to 60 acres except in the smallest towns where it is as high as 165 acres. The same trend is discerned when the availability of only the developed land is taken into consideration. The one significant difference is that while the range of variation in the availability of total land per thousand persons is from 14 to 165 that of developed land is from 10 to 39 only (*vide* vertical columns 8 and 10 of Table 7). As against 10 acres of developed land per thousand persons in the case of cities over 10 lakh population and 15 acres for Class I cities the corresponding figure for smallest town is around 39 acres.[5] This fact highlights the need to undertake speedy measures to develop the undeveloped lands in our cities and towns if we wish to ensure that the already over-crowded areas do not get further over-crowded and a better distribution of densities is gradually achieved.

A Birds Eye View of Land Use Patterns

Having discussed the availability of land in our cities and towns and the extent of developed and undeveloped area within them attention may now be focussed on how the developed land is being put to various urban uses. The uses to which urban land is being put have

[4] A study of American Cities and Towns has also borne out similar results (Harland Bartholomew, *Land Uses in American Cities*).

[5] For the cities of the U.S. and U.K. the corresponding figures of developed land per thousand persons are 71 and 65 acres respectively.

been classified into 7 broad categories. These are : (1) residential, (2) commercial, (3) industrial, (4) public and semi-public, (5) parks and playgrounds (6) roads and streets and (7) others. These terms have already been defined in the introductory chapter.

Before each of the individual land use categories mentioned above is discussed in detail it may be useful to have a broad idea of the total picture concerning the dispensation of land under various uses. A perusal of Table 11 should help obtain such a bird's eye view. Considering all the 103 cities and towns together, about 47 per cent of the developed land is, on an average, found under residential use which is invariably the single largest user of land in almost all the cities and towns. The second single highest user of land in our cities and towns is roads and streets which have 13·33 per cent developed land under them. A little lower is the proportion of land under public and semi-public uses. Industries and commerce account for 5·7 and 3·1 per cent of the developed land respectively. Parks and playgrounds have about 4 per cent land under them. The remaining 14·8 per cent land is under 'other uses' which in fact is an amalgam of a number of specified uses.

The broad picture of existing land utilization in the cities and towns underscores the basis that the Class I cities generally and the largest metropolitan cities particularly have attained a higher degree of urbanization and have a more diversified economic base and occupational structure than is the case with medium and small towns. As may be seen from Table 12 (p. 622) which gives the percentage distribution of workers for 98 of the 103 cities and towns covered in this study, cities over 5 lakhs population have about 32 per cent of their working force in manufacturing as against 21 per cent in towns of 50,000 to 1 lakh population and 9 per cent in the smallest towns. By and large the ratio of workers in manufacturing seems to decline as the size of the urban area becomes smaller and smaller. The only deviation from this trend seems to be in respect of the towns in the population range of 20,000 to 50,000. The relatively high percentage of workers in manufacturing in this group of towns is because there are in it the towns of Budge Budge, Bans Beria and Gurulia which have as high as 58, 58 and 79 per cent workers respectively in manufacturing. But these towns are within or near to the Calcutta metropolitan area and cannot as such be considered small towns in the usual sense of the term. It could also be noted from Table 12 that in the medium and small towns, the ratio of workers in agriculture and household industries is the highest. This indicates that these towns continue to have an agricultural bias and have a long way to go to attain a modern, diversified and balanced occupational structure.

Table 12

Occupational Structure of Cities and Towns*
(Percentage to total working force)

Sl. No.	Population range	Cultivators & Agricultural Labourers	Mining, quarrying & Live-stock	Household Industries	Manufacturing other than household	Construction	Trade & commerce	Transport, storage & communication	Other services	Total
1.	10 lakh & over	0·44	0·89	1·68	32·12	3·13	20·05	10·13	31·56	100·00
2.	5 lakh to 10 lakh	3·69	0·81	3·20	32·50	3·69	17·13	8·37	30·61	100·00
3.	2 lakh to 5 lakh	1·47	1·42	5·66	23·94	4·58	18·60	10·77	33·56	100·00
4.	1 lakh to 2 lakh	3·69	3·89	4·95	24·18	4·24	14·86	10·31	33·88	100·00
5.	1 lakh and above	1·43	1·29	2·71	30·39	3·50	18·84	9·95	31·89	100·00
6.	50,000 to 1 lakh	4·51	1·45	7·89	21·15	3·44	18·34	10·84	32·38	100·00
7.	20,000 to 50,000	8·00	2·03	9·24	26·57†	2·84	16·09	7·35	27·88	100·00
8.	Less than 20,000	28·37	1·80	8·21	9·49	1·88	15·27	8·29	26·69	100·00

N.B.—*This table relates to 98 of the 103 cities and towns covered in this study. For 5 towns occupational data could not be available.

†The relatively high percentage of workers in manufacturing in this group of towns is because there are in it the towns of Budge Budge, Bans Beria and Gurulia which have as high as 58, 68 and 79 per cent workers respectively in manufacturing. But these towns are within or near to the Calcutta metropolitan area and cannot as such be considered small towns in the usual sense of the term.

Source : Compiled from *Census of India*, 1961, Union Primary Abstract, Office of the Registrar General.

The greater concentration of industrial, commercial, administrative and cultural activity in Class I cities generally and in the largest metropolitan cities particularly explains why the relative proportion of land under non-residential uses in these cities is higher than the average for all the 103 cities and towns taken together. For the same reason the proportion of land under public and semi-public uses is also larger in the bigger cities. What is rather surprising is that even in regard to parks and playgrounds the Class I cities and the towns in the highest population bracket seem to be much better off than the medium and small towns where the proportion of land under this use falls down to as low a proportion as 1 to 2 per cent. Perhaps the nearness of the open countryside which surrounds the medium and small towns is one reason for recreational areas being small in their case. Another reason may be that their local bodies are not able to afford the necessary revenue resources to establish and maintain parks and other areas of recreation.

At this point a question may be raised whether the existing distribution of land under various uses in India's cities and towns could be considered rational or not very rational if measured by certain planning standards. It is very difficult and a good deal dangerous to give a general answer to this question. The differences in local circums stances and conditions are so wide that no one set of planning standards can hold good in all the cases. In fact, the planning standards for any particular city or town may themselves be conditioned by the past and present realities of that place. Data on the percentage distribution of proposed land uses for 11 cities for which Master Plans or Outline Development Plans have been prepared are presented in Table 13. A perusal of the figures given in this Table reveals a wide range of variations even in the proposed planned land use in the different cities. By and large, a majority of the Master or Outline Development Plans propose 43 to 48 per cent land for residential use; about 2 to 3 per cent land for commercial use; around 10 to 12 per cent for industrial use and around 11 to 14 per cent for parks and playgrounds. In the rest of the uses the variations are so wide that no definite percentage range is observed. If the proportions of land proposed in a majority of the Master or Outline Development Plans for residential, commercial, industrial uses and parks and playgrounds are assumed to be rational, most of our cities and towns would be found to be deviating from these norms.

As regards the quantity of land under various uses expressed in terms of acres per 1,000 persons, Table 14 gives the relevant data. Of the average 16·65 acres of developed land per city or town the highest

TABLE 13

Percentage Distribution of Land Proposed for Various Uses in Master or Outline Development Plans

Sl. No.	Name of Town City	Residential	Commercial	Industrial	Public & Semi-public	Parks & Playgrounds	Roads	Others
1.	Delhi	42·98	2·33	5·46	17·73	23·73	7·77	—
2.	Bangalore	18·54	2·60	13·98	10·30	10·62	—	13·96
3.	Bhopal	60·60	2·45	10·67	9·09	4·69	—	12·50
4.	Siliguri	51·15	5·44	11·82	3·44	2·77	18·86	6·52
5.	Kanpur	38·60	3·50	11·80	15·70	14·10	10·90	5·40
6.	Patna	74·04	2·06	5·70	8·74	4·20	—	5·26
7	Gauhati	66·02	5·09	10·18	8·83	11·88	—	—
8.	Mangalore	46·31	4·38	5·33	10·96	14·96	18·33	—
9.	Lucknow	46·98	6·39	11·11	12·80	12·89	9·83	—
10.	Ranchi	47·66	2·96	10·24	17·20	21·66	0·28	—
11.	Aurangabad	32·44	2·17	7·97	34·14	10·86	12·37	—

TABLE 14

Land under Principal Uses per 1000 Persons in 103 Cities and Towns

Sl No.	Population Range	Residential (acres)	Commercial (acres)	Industrial (acres)	Public & semi-public (acres)	Parks & play-grounds (acres)	Roads & streets (acres)	Others (acres)	Total Dev. land (acres)	Total land (acres)
1	10 lakh and above	3·88	0·35	0·65	1·79	0·64	1·71	1·31	10·34	14·04
2	5 lakh to 10 lakh	7·28	0·45	1·09	1·91	0·93	2·45	5·55	18·92	35·08
3	2 lakh to 5 lakhs .. .	11·62	0·85	1·44	3·02	0·58	2·86	3·38	23·75	34·40
4	1 lakh to 2 lakhs	15·90	0·78	1·52	2·79	0·71	3·48	2·16	28·56	50·12
	All Class I	6·66	0·46	0·89	1·98	0·65	2·07	2·24	15·00	23·55
5.	50,000 to 1 lakh	13·65	0·76	1·11	2·04	0·57	2·77	3·66	24·57	48·99
6	20,000 to 50,000	17·16	0·91	1·57	2·09	0·73	3·48	4·14	30·07	59·63
7.	Less than 20,000	20·84	1·04	2·70	3·21	0·61	4·16	6·28	38·85	165·16
	All Classes	7·81	0·51	0·95	2·00	0·65	2·21	2·47	16·65	28·32

Source : Compiled from filled-in schedules received from State Town Planning Departments.

acreage, namely, 7·81 is under residential and the lowest, 0·51 under commercial use. The quantity of land under parks and playgrounds, 0·65 acres per 1,000 persons, also is relatively low. Industrial use accounts for less than 1 acre of land for every 1,000 population. Land under public and semi-public purposes, roads and streets and other uses is around 2 to 2·5 acres per 1,000 persons. When these average figures are compared with the figures in respect of Class I cities, the latter are found to be lower. They are still lower in the case of cities with over 10 lakh population. In these largest cities the average availability of residential land is 3·88 acres per 1,000 persons as against 6·66 acres in the case of Class I cities and 7·81 acres for all the 103 cities and towns taken together. Similarly the quantity of land per 1,000 persons in the largest cities is lower under all other uses also.

When the average availability of land in the case of medium and small towns is compared with the average for all cities and towns a reverse trend is observed. In their case the availability of land under practically all uses is much higher than the average for all the cities and towns. For example as against the average of 7·81 acres per 1000 of residential land for all cities and towns the comparative figures in respect of towns in the range of 50,000 to 1 lakh population is 13·65 acres; in towns in the population range of 20,000 to 50,000, 17·15 acres, and in the smallest towns it is 20·18 acres. Similarly under industry and commerce the availability of land in the smallest towns is three times that of the largest metropolitan cities. The higher figures in respect of medium and small towns occur because the availability of total developed land per thousand persons in their case is much higher than is the case with the Class I cities and largest metropolitan areas. Alternatively, because of population pressure the man-land ratio in larger towns is less favourable than in the medium and small towns.

Residential Use

As was stated earlier, residential use constitutes the single largest category of land-use in our cities and towns. On an average 47 per cent of the developed area of the surveyed cities and towns taken together is being utilized for residential purposes. The range of variation in the average percentage in cities and towns of different population-sizes is from about 38 to 57. In cities with over 5 lakh population about 38 per cent of the developed area is under this use. The percentage increases to about 49 in cities in the population range of 2 to 5 lakhs. In cities and towns in all other population ranges the residential area veers round 55 per cent. (vide Table 15 at page 628).

It might be mentioned that the overall average of 47 per cent is a little misleading as it is pulled down by the low average of the biggest cities. A more reliable index in this matter is the frequency distribution of cities and towns by percentage of land under residential use, given in Table 16. It is observed from this Table that whereas 47 cities and towns have less than 45 per cent of their developed area under residential use, 56 cities and towns have over 45 per cent of such area under it. A few typical cases of individual cities and towns have also been given in the Table. These reveal that the range of variation is considerable even in respect of cities or towns in the same population size. For example among cities over 5 lakh population Delhi, Kanpur and Bombay have 29·34, 32·62, and 33·7 per cent residential land whereas in Hyderabad, Calcutta and Bangalore the corresponding percentages are 54·23, 53·0 and 51·19 respectively. There are 14 instances where residential use accounts for more than 75 per cent of the developed area. It is, however, remarkable that as many as 11 out of these 14 exceptional cases are cities and towns of Kerala where the settlement pattern is rather unique. Every dwelling here is surrounded by a private garden or a compound with coconut groves, etc. In the land use classification the entire compound within which the dwelling is located is treated as residential use. This naturally pushes up the proportion of residential use in the total land allocation.

An important point which the above data establish is that if we concede that a rational pattern of land allocation for an urban area should normally confine the residential area to about 40–45 per cent of the developed area then a majority of our cities and towns have an excess of land under residential use. And this incidentally is the cost of other important uses like community facilities, roads and recreational areas, etc. This largely explains why most of our residential areas are deficient in schools, dispensaries, lots, parks, playgrounds and even adequate roads and streets.

On an average for every one thousand persons in the 103 cities and towns covered by this survey, 7·81 acres of land is under residential use. The area of land under this use seems to vary inversely with the size of city or town. Whereas cities with a population of over 10 lakhs have as little as 3·88 acres of land per thousand persons, cities in the population range of 5 to 10 lakhs have about double that quantity under residential use. The towns in the lowest population range, namely, less than 20,000 persons have as much as 20·84 acres of land per thousand of their population. The availability of land in cities and towns in other population ranges may be seen at Table 14. It may, however, be observed that in a majority of our cities and

TABLE 15

Land under Residential Use

Sl. No	Population Range	No. of Cities/Towns	Residential Area	
			Percentage to total dev. area	*Acres per 1,000 persons*
1.	10 lakh and above	5	37·53	3·88
2.	5 lakh to 10 lakh	4	38·47	7·28
3.	2 lakh to 5 lakh	8	48·91	11·62
4.	1 lakh to 2 lakh	18	55·66	15·90
5.	50,000 to 1 lakh	24	55·55	13·65
6.	20,000 to 50,000	31	57·06	17·16
7.	Less than 20,000	13	53·65	20·84
	TOTAL	103	46·91	8·23

TABLE 16

Frequency Distribution of Cities and Towns by Percentage of Land under Residential Use

Frequency Range	*No.*	*Some important individual examples*
Less than 35	23	Karjan (10·4), Delhi (20·3) and Bombay (33·7).
35—40	14	Ahmedabad (35·7), Tiruchirapalli (38·2) and Gulbarga (39·9).
40—45	10	Junagadh (40·9), Nandurpar (43·3) and Ludhiana (44·3).
45—50	11	Howrah (46·7), Puri (47·8) and Coimbatore (49·9).
50—55	12	Bangalore (51·2), Bhagalpur (53·5) and Hyderabad (54·2).
55—60	8	Gauhati (55·0), Asansol (57·1) and Kamarhati (59·3).
60—65	7	Ranchi (61·1), Ajmer (63·0) and Uttarpara (64·4).
65—70	2	Hooghly-Chinsurah (66·5), and Barrackpore (67·2).
70—75	2	Tellicherry (70·2) and Fort Cochin (74·4).
75 and above	14	Trivandrum (77·4), Badagara (79·6) and Bhusawal (88·6).

towns the availability of land per thousand persons is very low in spite of residential use forming a high proportion of the developed area. Incidentally it may be mentioned that in the cities of America and England the availability of residential land is reported to be about 27 and 28·5 acres per thousand of population respectively.[6]

Commercial Use

Area under commercial use accounts for only 3·08 per cent of the developed land when all the 103 cities and towns are taken together. On considering cities and towns in the different population ranges, the highest proportion of land under commercial use, namely, 4·4 per cent, is found in cities of over 10 lakh population. In cities and towns in all other population ranges the proportion, as Table 17 shows, varies within a narrow range of 2·5 to 3·5 per cent. It may be mentioned that even among cities in the same population range the differences, however, are considerable. For instance whereas Bombay Island City) has 9 and Calcutta 6, Ahmedabad has only 1·3 per cent area under commercial use. Similarly in the case of cities in the next below population range, while Howrah has 4·23 per cent, Kanpur and Lucknow have less than 2 per cent commercial area.

The frequency distribution of cities and towns by percentage of developed area under commercial use, given in Table 18, shows that a little under one-third of the 103 cities and towns have more

TABLE 17

Land under Commercial Use

'l. 'o.	Population Range	No. of Cities & Towns	Commercial Area	
			Percentage to total developed land	*Acres per thousand persons*
.	10 lakh and above	4*	4·44	0·35
.	5 lakh to 10 lakh	4	2·52	0·48
.	2 lakh to 5 lakh	8	3·57	0·85
.	1 lakh to 2 lakh	18	2·74	0·78
,	50,000 to 1 lakh	24	3·08	0·76
.	20,000 to 50,000	31	3·02	0·91
	Less than 20,000	13	2·68	1·04
	TOTAL	102	3·08	0·54

[6] *Source* : Harland Bartholomew, *Land Uses in American Cities*, and P.A. Stone, *act of Urban Development on the Uses of Land and Other Resources.*

* Excludes the city of Hyderabad for which area under commercial use is not available.

TABLE 18

Frequency Distribution of Cities and Towns by Percentage of Land under Commercial Use

Frequency Range	*No. of cities/towns*	*Some important individual examples*
Less than 1	16	Dabhoi (0·2), Ranchi (0·4) & Ajmer (0·8)
1—2	21	Ahmedabad (1·3), Bhopal (1·5) and Kanpur (1·9).
2—3	15	Trivandrum (2·1), Coimbatore (2·6) and Delhi (2·7).
3—4	19	Tiruchirapalli (3·2), Bangalore (3·4) and Cuttack (3·8).
4—5	8	Howrah (4·2), Tirunelvelli (4·6) and Hinghanghat (4·7).
5—6	9	Tiruppur (5·2), Pollachi (5·4) and Siliguri (5·9).
6 and above	14	Calcutta (6·1), Bombay (9·0) and Indore (14·2).

:n 4 per cent of the developed land under commercial use whereas cities and towns have less than 2 per cent of their developed area der this use. The remaining 34 cities and towns have between 2 4 per cent of their developed area under commercial use. A few king cases of very high and very low percentages of land under this are Budge Budge (29·27), Indore (14·2), Jaipur (9·5), Ajmer 8), Gauhati (0·6), Bhagalpur (0·8) and Bhuswal (0·7). Where nmercial area forms, relatively a larger proportion it does not necesily imply that commercial sector there is well-developed because no inite correlation has been discerned between the area and the number workers in trade and commerce.

In terms of absolute quantities, as against an area of 0·35 acres thousand persons under commercial use in cities in the top bracket quantity is about double this figure in the case of cities and towns the population range of 50,000 to 5 lakh and about 3 times in the aller towns. The average for all the 103 cities and towns is 0·54 es. Among cities and towns in various population ranges there, wever, are considerable differences. By and large bigger cities and vns seem to have a larger proportion of land under this use though terms of availability of land in relation to population, the larger es have much less commercial space.

A number of factors go to determine the amount of land needed the commercial use. The density of population, the nature of the

urban settlement pattern, the income levels of the urban community and, above all, the economic function of the city or the town influences the amount of commercial activity and consequently the amount of commercial space that may be considered adequate. A city or town which is a wholesale distribution centre for a large hinterland would naturally need more of commercial space. On the other hand where the population is highly concentrated and travel distances are short, fewer retail shops may perhaps serve the community quite efficiently. It is difficult to measure the impact of all the diverse factors and to comment on the adequacy or inadequacy of commercial space.

Nevertheless it appears from the above data that both the proportion and amount of land per thousand persons under commercial use in our cities and towns is relatively low. This is quite paradoxical because in a developing country like ours, the trade and commerce sector is over-ridden with marginal and sub-marginal units and the extent of disguised unemployment in this sphere of economic activity is very large. There are so many shops and business establishments with hardly any business worth the name. Since it is always a socially dignified to be known as a businessman rather than as an unemployed person that one finds so many "workers" in the tertiary sector. As such one would not have been surprised if land under this use in our urban areas were a little more than what the figures reveal.

This paradox may, however, be explained by the fact that well-defined commercial zones in our urban areas do not exist except in the bigger cities. Generally, commercial activity is scattered and diffused over practically the whole city or town and it is, therefore, difficult to identify any area as being distinctly commercial. Secondly, our markets—wholesale and retail—and shopping areas are generally sub-standard in the sense that they are deficient in parking facilities and many other civic amenities. If these amenities and parking facilities were duly provided, the proportion of land under commercial use would have been a little larger than what it really is. It may be mentioned that an analysis of planned towns in England and Wales reveals that they have 6 per cent land under this use. Even though the proportion of land under commercial use in the cities of America is about the same as in India, the availability of land (per thousand persons) under the commercial use there is about 5 times the average of our 103 cities and towns.

Industrial Use

In all the 103 cities and towns which this study covers the amount of land under industrial use is about 21 thousand acres or 5·72 per

cent of the developed urban area. Among cities and towns in the different population ranges, the proportion of land under industrial use is found to be the highest, 6·95 per cent, in the smallest towns. The next highest percentage, 6·34, is in cities of over 10 lakh population. Comparatively high percentage is also found in the urban areas within the population range of 5 to 10 lakh. In the rest of the cities and towns the share industrial land is approximately 5 per cent. (vide Table 19).

The frequency distribution of cities and towns by percentage of developed area under industrial use is given in Table 20. Figures in this Table show that over one-fourth of the 103 cities and towns have less than 2 per cent of the developed area under industrial use whereas a little under one-fourth have more than 12 per cent developed area under this use. About 56 per cent of the 103 cities and towns have between 0 to 6 per cent of their developed area under the industrial use. A few striking cases of very high and very low percentages of land under this use are of Bhatpara (37·5), Karja (21·8), Kamarhati (20·7), Nandurbar (20·1), Puri (nil) and Kolar Town, Sahada and Sikar (all negligible).

Coming to land under industrial use per thousand persons, cities in the top most bracket have on an average 0·65 acres of land as against 2·7 acres in the smallest towns of less than 20,000 population. In cities and towns in the other population ranges the average acreage per thousand population varies between 1 to 1·6. In the average availability for all cities and towns in various population ranges there, however, are considerable differences. Details may be seen at Table 21 which gives the frequency distribution of cities and towns by acreage under industrial use per 1000 population. It might be mentioned here that in American cities 6·4 per cent and in the planned towns of U.K. 10 per cent land is under industrial use though in terms of acreage per 1000 persons the American and British cities and towns[7] have nearly five times the average for Indian cities and towns.

Further analysis of the data on land under industrial use throws up some interesting points. It is observed that the average amount of land under the industrial use for all the 103 cities and towns is as little as 24 acres per city or town. This low average dispensation of land under industrial use largely reflects the general industrial backwardness of our urban areas. While the average figures of industrial use are low there are good many instances of very high percentage of land

[7] Harland Bartholomew, : *op. cit.*, p. 19

TABLE 19

Land under Industrial Use

Sl. No.	Population Range	No. of cities/ towns	Industrial Area	
			Percentage to total developed area	Acres per thousand persons
1.	10 lakh and above	5	6·34	0·65
2.	5 lakh to 10 lakh	4	5·75	1·09
3.	2 lakh to 5 lakh	8	6·05	1·44
4.	1 lakh to 2 lakh	18	5·32	1·52
5.	50,000 to 1 lakh	24	4·54	1·11
6.	20,000 to 50,000	31	5·21	1·57
7.	Less than 20,000	13	6·95	2·70
	TOTAL	103	5·72	1·00

TABLE 20

Frequency Distribution of Cities and Towns by Land under Industrial Use as Percentage of Developed Area

Sl. No.	Frequency Range	No. of cities & towns	Some Important Individual Examples
1.	0 to 2	27	Puri (nil), Trivandrum (0·72) & Delhi (1·78).
2.	2 to 4	20	Bhusawal (2·22), Hyderabad (3·17) & Pen (3·48).
3.	4 to 6	11	Bangalore (4·17), Bhagalpur (5·05) & Gaya (5·44).
4.	6 to 8	7	Vadgaon (6·00), Kanpur (6·60) & Coimbatore (7·54).
5.	8 to 10	9	Kota (8·10), Calcutta (9·22) & Rajpila (9·69).
6.	10 to 12	5	Kadi (10·16), Jaipur (10·90) & Ludhiana (11·66).
7.	12 to 14	7	Ahmedabad (12·40), Barrackpore (12·88) & Virdhunagar (13·34).
8.	14 to 16	7	Bombay (14·50), Indore (15·22) & Chopda (15·98).
9.	16 and above	10	Bansberia (18·11), Kamarhati (20·70) & Bhatpara (37·48).

TABLE 21

Frequency Distribution of Cities and Towns by Industrial Land Per 1000 Persons (acres)

Sl. No.	Frequency Range	No. of cities & towns	Some important examples of individual cities/towns
1.	Less than 0·5	25	Puri (nil), Delhi (0·27) & Bombay (0·49).
2.	0·5—1·0	23	Calcutta (0·59), Lucknow (0·72) & Tirunelveli (0·98).
3.	1·0—1·5	21	K.G.F. City (1·00), Howrah (1·25) & Jalgaon (1·49).
4	1·5—2·0	11	Pollachi (1·58), Ernakulam (1·77) and Nandurbar (1·90).
5	2·0—2·5	6	Bhopal (2·13), Ludhiana (2·29) & Phalton (2·47).
6.	2·5—3·0	7	Virdhunagar (2·57), Budge Budge (2·89) & Rajpipla (2·94).
7.	3·0 & above	10	Kamarhati (3·03), Karjan (7·76) & Jharsuguda (11·86).

TABLE 22

Industrial Density of 103 Cities and Towns

Sl. No.	Size of City/Town	No. of cities & towns to which data relate	Density (workers) per acre
1.	10 lakh and above	5	200
2.	5 lakh to 10 lakh	4	104
3	2 lakh to 5 lakh	8	50
4.	1 lakh to 2 lakh	18	51
	Class I	35	120
5	50,000—1 lakh	24	57
6.	20,000—50,000	31	47
7.	Less than 20,000	13	18
	All Classes	103	110

Source : Compiled from data received from State Town Planning Departments and Union Primary Abstracts, Census of India, 1961.

being under this use. By and large the biggest cities have relatively high percentage of land under industries which broadly indicates the degree of industrial concentration here. On correlating the percentage of land under industrial use with the percentage of working force engaged in manufacturing (other than household), a significant measure of correlation is observed. The co-efficient of correlation[8] works to 0·81, 0·69 and 0·46 for cities and towns in the population range of 1 lakh and over, 50,000 to 1 lakh and 20,000 to 50,000 respectively. No such correlation has, however, been discerned in the case of small towns in the population range of 20,000 and less.

Another interesting observation is that the availability of land per thousand population seems to be inversely correlated to the size of the city or town, *i.e.*, the larger the size of the urban area the smaller is the availability of land per thousand population. On relating the acreage of land under industrial use in the cities and towns in various population ranges with the number of their workers in manufacturing vide Table 22, the density of industrial workers per acre is found to be as low as 18 in the smallest towns, 47 in towns in the range of 20,000 to 50,000 population as against 200 workers per acre in cities over 10 lakh population and 104 workers per acre in cities in the next below population range, namely, 5 to 10 lakhs. For all Class I cities the average density of workers per acre is about 120. In cities and towns in the remaining categories the density of workers per acre is around 50. It is thus clear that whereas industrial units in the largest cities have been operating under conditions of congestion and the workers thereof are cramped for lack of space, the industrial units in the smaller towns are perhaps wastefully occupying premises too big in relation to the scale of their operations.

Land Under Roads and Streets

Highways, roads and streets are the second largest users of urban land. In our 103 cities and towns the area under them has been reported to be 46·73 thousand acres corresponding to 13·30 per cent of the developed land. Cities with over 10 lakh population have 16·52 per cent of the area under roads and while towns with less than 20,000 have 10·72 per cent of the land under this use. Area under circulation in cities and towns in other population ranges veers around 12 per cent. As may be seen from Table 23 the percentage of area

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* Coefficient of correlation has been worked out by Karl Pearson's formula—

$$r = \frac{Exyxn - (Ex \times Ey)}{\sqrt{Ex^2 xn - (Ex)^2}\ \sqrt{Ey^2 xn - (Ey)^2}}$$

under circulation seems to vary directly with the size of the city or town. This is quite logical because the larger the size of the urban area in terms of population and area, the larger may be its volume of traffic.

TABLE 23

Land under Roads and Streets

Sl. No.	Population Range	No. of cities/ towns	Circulation	
			Percentage to total developed area	Acres per thousand persons
1.	10 lakh and above	5	16·52	1·71
2.	5 lakh to 10 lakh	3*	12·60	2·45
3.	2 lakh to 5 lakh	8	12·04	2·86
4.	1 lakh to 3 lakh	18	12·18	3·48
5.	50,000 to 1 lakh	24	11·28	2·77
6	20,000 to 50,000	31	11·57	3·48
7.	Less than 20,000	13	10·72	4·16
	TOTAL	102	13·33	2·21

*Excludes the city of Bangalore.

The frequency distribution of cities and towns by percentage of developed area under circulation is given in Table 24. This Table reveals that 30 of the 103 cities and towns have less than 8 per cent whereas a little under two-fifths have more than 16 per cent of the developed area under this use. Another one-third of the cities and towns have between 8 to 16 per cent of their developed area under roads and streets. A few striking cases of very high and very low percentages of land under this use are: Baraipur (36·9), Pondicherry (35·6), Howrah (27·1), Naihati (25·1), Vijayawada (23·6), Tiruchirapalli (23·0), Delhi (20·5), Phalton (4·9), Cuttack (1·55) and Surendranagar (0·33).

There is on an average 2·24 acres of land under this use for every one thousand persons in the 103 cities and towns. Whereas cities with a population of over 10 lakh have 1·71 acres of land per thousand persons, cities in the population range of 1 to 2 lakh have double the amount of land under circulation. The smallest towns with a population of less than 20,000 utilize on an average, 4·16 acres of land per thousand persons.

The amount of space devoted to circulation shows wide variations among individual cities and towns. These variations depend on a number of factors like road and street widths, the nature of settlement pattern, density of population and policies relating to sub-divisions set-backs, etc. A high proportion of land under roads and streets does not necessarily imply that the circulation system is efficient. For instance, Pondicherry town which has been developed on the grid-iron pattern has about 36 per cent of its developed area under roads and streets. Even then the circulation system in this town is far from being satisfactory. If on the other hand, the area under roads and streets is normally more than about one-fifth of the developed area it might well be indicative of waste and defective planning.* In the case of our cities and towns the instances where excessive amount of land is devoted to roads and streets are very few. A large majority of our cities and towns, in fact, are found devoting relatively very inadequate amount of land to roads and streets. As the vehicular traffic

TABLE 24

Frequency Distribution of Cities and Towns by Land under Circulation as a Percentage of Developed Area

Sl. No.	*Frequency Range*	*No. of cities* and towns*	*More important individual examples*
1.	0—4	17	Surindernagar (0·33), Cuttack (1·55), Badagara (2·89).
2.	4 to 8	13	Ajmer (4·4), Tellicherry (6·21), Murtizapur (7·19).
3.	8 to 12	13	Kanpur (8·94), Jaipur (10·4) and Bombay (11·8).
4.	12 to 16	19	Lucknow (13·63), Calcutta (14·73) and Coimbatore (15·68).
5.	16 to 20	15	Hyderabad (16·34), Ludhiana (17·90), Ranchi (18·80).
6.	20 to 24	12	Delhi (20·48), Tiruchirapalli (22·95), Veraval (23·80).
7.	24 & above	13	Howrah (27·14), Gaya (28·35), Pondicherry (35·62).

* "In Finland, a town plan which provides more than 20 per cent of the area for roads and streets is rejected by the Ministry for Town Planning."

Dr. Ved Prakash : Financing New Towns in India, Cornell University Ph. D. Thesis, 1966.

*Excludes the city of Bangalore for which the area under roads and streets is not available.

in our urban area increases the inadequacy of the existing circulation system in these cities and towns is bound to be felt acutely.

Public and Semi-public Uses

Public office buildings, schools, hospitals, public libraries, post and telegraph offices, police and fire stations, railway properties and other public and quasi-public establishments classified as "public and semi-public" occupy on an average 12 per cent of the developed land of 103 cities and towns. Among cities and towns in different population ranges the proportion of land under public and semi-public use has been found to vary fairly widely as is seen from Table 25. These variations may be accounted for by the fact that in some of the population groups state capitals or district or tehsil headquarters are located and for obvious reasons the percentages in such cities and towns under this use are likely to be higher. Cities with over 10 lakhs have the highest percentage, 17·33, of land under public and semi-public use. This relatively high percentage may be accounted for by the fact that all the five cities in this group are capital cities and of these Delhi alone has more than 29 per cent of its area under public and semi-public use. The next highest percentage, 12·73, is in cities of 2 to 5 lakhs. The towns of population group of 20,000 to 50,000 have the lowest percentage of the area under this use being only 6·96. Generally speaking cities with over 1 lakh population have relatively a higher proportion of land under public and semi-public uses.

TABLE 25

Land under Public and Semi-Public Use

Sl. No	*Population Range*	*No. of cities/towns*	*Public and Semi-public*	
			Percentage to total developed area	*Acres per thousand persons*
1.	10 lakh and above	5	17·33	1·79
2	5 lakh to 10 lakh	4	10·07	1·91
3	2 lakh to 5 lakh	8	12·73	3·02
4.	1 lakh to 2 lakh	18	9·76	2·79
5	50,000 to 1 lakh	24	8·31	2·04
6	20,000 to 50,000	31	6·96	2·09
7	Less than 20,000	13	8·25	3·21
	TOTAL	103	12·01	2·11

TABLE 26

Frequency Distribution of Cities and Towns by Land under Public and Semi-Public Use as Percentage of Developed Area

Sl. No.	Frequency Range	No. of cities/towns	Some Important Individual Examples
1.	0 to 3	16	Bhatpara (0·56), Hooghly-Chinsurra (1·70), Calicut (2·90).
2.	3 to 6	24	Alleppey (3·11), Tiruchirapalli (4·05), Kota (5·60).
3.	6 to 9	16	Bombay (6·3), Bangalore (7·91), Kanpur (8·49).
4.	9 to 12	16	Calcutta (9·40), Rajpipla (10·00), Kanchipuram (11·51).
5.	12 to 15	10	Coimbatore (12·69), Trivandrum (12·71), Saharda (13·85).
6.	15 and above	21	Lucknow (16·73), Ludhiana (22·37), Delhi (29·73).

The frequency distribution of cities and towns by percentage of developed area under public and semi-public use is given in Table 26. Figures in the Table show that two-fifth of the cities and towns have less than 6 per cent of the developed area under public and semi-public use. Nearly one-third of the cities and towns have between 6 and 12·0 per cent of the developed area under this use and the remaining 21 cities and towns have 12 or more per cent of the area under this use. A few striking cases of very high and very low percentages of land under this use are: Delhi (29·73), Palayamkottai (27·00), Ludhiana (22·00), Bhagalpur (20·00), Naihati (0·8) and Budge Budge (0·41).

Coming to land under public and semi-public use per thousand persons, cities in the top-most bracket have on an average 1·79 acres of land as against 3·21 in the small towns of less than 20,000 persons. In cities and towns in other population ranges, the average acreage per thousand persons varies between 1·8 to 3·0. The average availability for all these cities and towns is 2·1 acres per thousand persons. Among individual cities and towns of various population ranges there are, however, considerable variations, the range being 0·03 acres per thousand persons for Budge Budge to 11·08 for Jharsuguda.

It is very difficult to make any observations on the adequacy or inadequacy of the existing amount and proportion of land put under public and semi-public uses in our cities and towns. The number of uses which this broad category covers are very many and local conditions and circumstances also differ significantly from place to place. In a small urban area which has a university or any other big institution occupying large premises the relative proportion of land under public and semi-public uses is bound to be substantially higher than in another place of comparable size without such an institution. Similarly a place which is the district or teshil headquarters would have a higher ratio of land under public use. Public and semi-public uses include use of land by educational, medical and cultural institutions and public offices. Considering this important fact in mind, one would feel more inclined to believe that a very large majority of our cities and towns does not seem to provide adequate amount of space for public and semi-public uses. As many as 56 of our 103 cities and towns have less than 9 per cent area under this use. This inadequate allocation of land reflects either a relative shortage of community facilities like schools, colleges, hospitals, libraries, etc., or, if these are adequate numerically, that they are existing on less than the desired space. Perhaps both these conditions are true of our urban areas.

Recreational Use

Area under parks and playgrounds constitutes, on an average, 4·71 per cent of the developed land of the 103 cities and towns taken together, land under this use has been found to vary from 0·06 per cent in Neyyatinkara to 15·8 per cent. In Bhadreshwar while 8 towns do not seem to have any land under parks and playgrounds. The proportion of land under parks and playgrounds as may be seen at Table 27 tends to increase with the size of the urban area. Cities with over 10 lakh population have 6·17 per cent of their developed area under recreational uses as compared to 1·57 per cent in the towns of less than 20 thousand population.

The frequency distribution of cities and towns by percentage of developed area under parks and playgrounds given in Table 28 shows that a little under one-third of the 103 cities and towns have between 0 to 1 per cent land under parks and playgrounds. More than three-fifths of the cities and towns have less than 3 per cent of the area under recreation whereas 18 cities and towns have 3 to 6 per cent of their developed land under this use. Only 15 cities and towns have more than 6 per cent of the developed area under parks and playgrounds. A few striking cases of very high and very low percentages

TABLE 27

Land under Parks and Playgrounds

Sl. No.	Population Range	No. of cities & towns	Parts & Playgrounds	
			Percentage to total developed area	Acres per thousand persons
1.	10 lakh and above	5	6·17	0·64
2.	5 lakh to 10 lakh	4	4·93	0·93
3.	2 lakh to 5 lakh	8	2·45	0·58
4.	1 lakh to 2 lakh	17*	2·79	0·71
5.	50,000 to 1 lakh	24	2·31	0·57
6.	20,000 to 50,000	31	2·42	0·73
7.	Less than 20,000	13	1·57	0·61
	TOTAL	102	3·95	0·83

*Excludes the city of Cuttack.

of land under this use are Bhadhreshwar (15·8), Ahmedabad (15·4), Lucknow (11·8), Bangalore (11·6), Gulbarga (11·4), Kottayam (0·3), Kanpur (1·2) and Howrah (1·5).

As regards land under parks and playgrounds per thousand persons, cities in the population range of 5 to 10 lakhs have the highest average of 0·93 acres per thousand persons as against 0·57 acres in the towns of 50 thousand to 1 lakh population. In cities and towns in other population ranges the average acreage per thousand persons has been found to vary between the above limits. Among the individual cities and towns maximum acreage per thousand persons has been reported for the city of Udaipur which has 3 acres per thousand persons while a few towns have no land at all under parks and playgrounds. It may be useful to mention here that the American cities have, on an average, 7 per cent of their developed land or at the rate of about 5 acres per 1000 persons, under parks and playgrounds. Cities and towns of England and Wales earmark a considerably higher proportion of land for this use, *viz.*, 20 per cent or about 12·5 acres per thousand of population.[10]

It is quite evident that the existing provision of land under parks and playgrounds in our cities and towns is extremely inadequate and

[10] *Source*: *op. cit.*, p. 19

TABLE 28

Frequency Distribution of Cities and Towns by Land under Parks and Playgrounds as a Percentage of Developed Area

Sl. No.	*Frequency Range*	*No. of cities & towns*	*Some important individual examples*
1.	0 to 1	33	Neyyatinkara (0·06), Kottayam (0·25), Phalton (0·32).
2	1 to 2	24	Kanpur (1·2), Howrah (1·51), Hyderabad (1·69).
3.	2 to 3	13	Coimbatore (2·30), Ajmer (2·50), Kancharapara (2·82).
4	3 to 4	5	Bhopal (3·03), Sikar (3·45), K.G.F. City (3·56).
5	4 to 5	6	Lucknow (4·0), Jaipur (4·1), Indore (4·66).
6	5 to 6	7	Bansberia (5·33), Puri (5·49), Delhi (5·90).
7	6 and above	15	Bombay (6·0), Bangalore (11·58), Bhadreshwar (15·8).

there is need to augment this provision appreciably. Doing so may, however, be very difficult insofar as the heavily built up areas in our cities and towns are concerned. The deficiency may, therefore, have to be taken care of to the extent feasible in the new developments. Town planners usually recommend for our urban areas a standard of 3-4 acres of recreational area per thousand of population. Considering the very low existing provision of land under this use one begins to wonder if the recommended standard would be feasible for our cities and towns in the present stage of our economic development. The high and escalating land values in our urban areas would stand as a serious deterrent to land being assigned to this use. And even supposing the needed quantity of land were somehow put under parks and playgrounds, it is doubtful if the concerned local bodies would have resources enough to maintain them satisfactorily.

Other Uses

This amorphous class includes land classified as 'vacant', land under Defence Authorities, land under lakes, ponds and land-uses not covered by any of the other categories. For all cities and towns taken together 'other uses' account for about 15 per cent of the developed area. As may be seen from Table 29, the proportion of land

under other uses ranges from a lower limit of 7·56 per cent in cities with 1 to 2 lakh population to an upper of 29·33 per cent in cities with a population of 5 to 10 lakhs. The high proportion in the latter category is mainly due to defence authorities owning substantial amounts of land in these cities. In terms of acreage, our cities and towns use, on an average 2·60 acres per 1000 population. The corresponding figures vary from 1·31 acres in the biggest metropolitan cities to 6·28 acres in the smallest towns.

TABLE 29

Land under Other Uses

Sl. No.	*Population Range*	*No. of cities towns*	*Others*	
			Percentage to total developed area	*Acres per thousand persons*
1.	10 lakh and above	5	12·72	1·31
2.	5 lakh to 10 lakh	4	29·33	5·55
3.	2 lakh to 5 lakh	8	14·25	3·38
4.	1 lakh to 2 lakh	18	7·56	2·16
5.	50,000 to 1 lakh	24	14·93	3·66
6.	20,000 to 50,000	31	13·76	4·14
7.	Less than 20,000	13	16·18	6·28
	TOTAL	103	14·82	2·60

The range of variation in the proportion of land under 'other uses' is very wide if cities and towns are considered individually. A majority of the cities and towns of Gujarat and Maharashtra particularly shows disproportionately large areas of land under "other uses". These variations make one point very clear, *viz.*, that the land use classification leaves much to be desired. For example in some cases railway properties in some cemetries, graveyards and cremation grounds and in some others, parks and playgrounds have been included in this category. A rational land-use would put the various uses under appropriate categories and not in this omnibus class.

LIMITATION OF THE STUDY

It had been stated in the very first chapter of this Report that the analysis and conclusions of this study should be read bearing in

mind certain limitations of the data on which they are based. Some of the major limitations are described in the following paragraphs.

Data on existing land uses in our cities and towns were obtained by mailing a proforma to the State Town Planning Departments. The availability of data in respect of any city and town depended upon a land-use survey having been carried out for that city or town. These surveys have so far been conducted by State Town Planning Departments for only those cities and towns for which they had a programme of preparing Master or Outline Development Plans. Such cities and towns had naturally to be those which deserved a higher priority in being planned. Under these circumstances it has not been possible to make a selection of cities and towns on the basis of any scientific sample.

Furthermore, some of the States like Jammu and Kashmir, Punjab and Andhra Pradesh were either not able to furnish data for any of their cities and towns or furnished for just one or two of them. The State-wise coverage of cities and towns has not, therefore, been uniform. It might also be stated that no checks were conducted by us and data received were accepted unless they suffered from glaring discrepancies.

The second limitation is that the reference period in respect of the various cities and towns was not the same. In fact, the years of land use surveys vary from 1956 to 1966. It is quite likely that during the period between the year of survey and the reporting data some minor changes in land use might have come about. It is also likely that in subsequent land use surveys the land use classifications might have been changed and refined by the State Town Planning Departments. If it were really so the data may suffer from not being strictly comparable even in respect of the cities and towns of the same States.

Data pertaining to population have been drawn from the published census records or from the Office of the Registrar General whereas data on land uses are as reported by the State Town Planning Departments. On comparing the figures pertaining to area within municipal limits as given in the census records and as furnished by the State Town Planning Departments, certain differences were noted. It was generally observed that the area figures as furnished by the State Town Planning Departments after actual land use surveys were lower than those given in the census records. In certain cases the area with which the census population has been related seemed to be

a little more or less than the area within the municipal limits. Unfortunately, it has not always been possible for us to ascertain the precise facts in such cases and make the necessary corrections.

The most serious limitation of the data on land uses stems from the fact that the land use classification followed by the different States and by local planning units within the same State might be different in varying degree.

For example, in some land use classifications the area under roads and streets has not been given separately but clubbed together under "residential use". In some cases roads and streets include even lanes and by-lanes whereas in some others local or neighbourhood roads have not been included under roads and streets but under residential use. A good deal of confusion was found in the classification of public and semi-public uses. The range and variety of items included have differed considerably. Separate data on important community facilities like schools and colleges, hospitals, health centres, libraries and community centres were not available. This made it impossible to relate the area under community facilities to population. In some cases, area under parks and playgrounds seemed to have been included in public and semi-public uses whereas in many others the practice seemed to be include some parks in residential use and show some bigger parks and playgrounds separately. Dissimilarity of classifications is also quite evident in classifying railway properties, warehouses, godowns and storages, etc.

While working on this study it became quite clear to us that the land use classifications adopted by the different States and even by different town planning units within the same State lacked standardization. This naturally puts a serious limitation on the comparability of data on land uses.

Even supposing the land use classifications were standardized and followed uniformly by all the planning organizations, the fact that in our cities and towns there is such an inextricable and confusing mix up of land uses that it would always be difficult to identify distinct use zones. Such being the cases a good deal of discretion will have to be left with the land use surveyor to demarcate and classify any area on the basis of its predominant land use. Exercise of this discretion, being a matter of individual judgement, is bound to vary from individual to individual and also from place to place. This difficulty might again introduce a limitation in the comparability of land use data in respect of different cities and towns.

Finally it might be noted that the land use data pertain to land uses as they existed on a particular data. In the absence of any historical data on the changing pattern of land uses, this study does not do anything more than present a picture of what exists. It fails to make any analysis of the various factors which were operating in the past and which might have led to the present situation. It has also not been possible to relate the land use data with the nature of the urban settlement pattern or the topographical or geographic conditions of the cities and towns. In spite of these limitations this study may be considered as the first humble attempt at understanding our urban land use patterns and problems. Further work along these lines which refined research methods may no doubt prove rewarding from the point of view of the theory and practice of land economics and land use planning.

APPENDIX

LAND USE PATTERN OF SELECTED CITIES AND TOWNS

(in acres)

Sl. No.	Name of the City Town	Year of Survey	Total Area	Agricultural or under-developed area	Developed area	Developed Area under various uses						
						Residential	Commercial	Industrial	Public & Semi-public	Parks and playgrounds	Roads & streets	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Over 10 lakh												
1.	Bombay	1958-59	16,898	1,625	15,273	5,160	1,366	2,210	944	922	1,798	2,873
2.	Calcutta	1962-63	23,612	5,005	18,607	9,875	1,128	1,716	1,750	1,398	2,740	—
3.	Delhi	1958	39,472	3,691	35,781	7,279	968	637	10,641	2,109	7,329	6,818
4.	Ahmedabad	1950	22,985	11,468	11,517	3,940	146	1,381	1,064	1,706	1,592	1,688
5.	Hyderabad	1962	41,500	16,299	25,201	1,367	--	799	4,046	426	4,118	2,145
	SUB-TOTAL		1,44,467	38,088	1,06,379	39,921	3,608	6,743	18,445	6,561	17,577	13,524
5 lakh to 10 lakh												
6.	Bangalore	1963	16,800	816	15,984	8,183	546	666	1,264	1,851	—	3,474
7.	Kanpur	1963-64	57,608	36,280	21,328	6,958	407	1,407	1,810	260	1,907	8,579
8.	Lucknow	1962-63	19,887	6,884	13,003	3,851	240	430	2,176	520	1,773	4,013
9.	Howrah	1962-63	7,230	2,783	4,447	2,075	188	644	266	67	1,207	—
	SUB-TOTAL		1,01,525	46,763	54,762	21,067	1,381	3,147	5,516	2,698	4,887	1,606
2 lakh to 5 lakh												
10.	Jaipur	1962-63	15,500	1,100	14,400	4,400	650	1,460	950	590	1,500	4,850
11.	Indore	1963	5,960	2,550	3,350	838	475	510	549	156	502	320
12.	Coimbatore	1961	5,664	1,551	4,113	2,054	108	310	518	107	645	371
13.	Tiruchirapalli	1962	5,597	2,124	3,473	1,329	112	95	835	60	797	245
14.	Ludhiana	1963	10,140	5,335	4,805	2,130	90	560	1,075	90	860	—

15. Trivandrum	1965	18,500	3,965	14,535	11,242	300	106	1,847	140	900	—
16. Ajmer	1964-65	9,487	4,715	4,772	3,044	35	141	802	116	207	427
17. Vijayawada		7,584	2,919	4,665	1,432	163	93	316	66	1,103	1,492
SUB-TOTAL		78,372	24,259	54,113	26,469	1933	3,275	6,892	1,325	6,514	7,705
1 lakh to 2 lakh											
18. Calicut	1961	7,229	615	6,614	5,158	218	132	192	36	766	112
19. South-suburban	1962-63	7,476	4,646	2,830	3,206	61	201	51	16	295	—
20. Bhopal	1958-59	12,914	9,449	3,465	1,255	51	394	426	105	520	714
21. Gaya	1962-63	7,539	4,946	2,593	1,152	54	141	419	52	735	40
22. Bhatpara	1962-63	2,778	825	1,953	844	30	732	11	36	300	—
23. K.G.F. City	1964-65	14,118	10,414	3,704	1,712	120	147	164	132	—	1,429
24. Cuttack		9,601	2,362	7,239	2,943	273	205	663	3,043	112	—
25. Bhagalpur	1962-63	7,040	4,048	2,992	1,600	25	151	606	123	487	—
26. Mangalore	1962	5,356	850	4,506	2,825	110	180	325	145	920	—
27. Alleppy	1963	8,635	2,754	5,881	4,982	200	124	183	121	271	—
28. Kamarhati	1962-63	2,789	953	1,836	1,089	31	380	102	2	232	—
29. Ranchi	1964-65	10,199	3,060	7,139	4,360	31	158	1,124	170	1,296	—
30. Kota	1965	7,676	1,890	5,786	2,040	195	465	326	340	1,090	1,330
31. Ernakulam	1964	5,700	1,588	4,112	3,115	174	207	208	55	353	—
32. Udaipur	1962-63	6,150	2,081	4,069	1,425	140	100	1,044	335	280	745
33. Muzaffarpur	1963	4,469	890	3,579	1,303	66	39	706	17	440	1,008
34. Asansol	1964-65	2,572	1,339	1,233	703	29	16	48	63	374	—
35. Gauhati	1957-58	2,810	1,209	1,601	882	139	10	346	33	191	—
SUB-TOTAL		1,25,051	53,919	71,132	39,594	1,947	3,782	6,944	4,825	8,662	5,378
TOTAL		4,49,415	1,63,029	2,86,386	1,25,051	8,869	16,947	37,797	15,409	37,640	42,673

LAND USE PATTERN OF SELECTED CITIES AND TOWNS (*Continued*)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
50,000 to 1 lakh												
1.	Gulbarga	1963	6,500	4,360	2,140	853	78	113	341	245	—	510
2.	Kanchipuram	1964	2,538	1,083	1,455	750	55	41	167	11	262	168
3.	Tirunelveli	1963	3,739	2,399	1,340	470	62	86	210	11	253	248
4.	Hooghly-Chinsurah	1962-63	3,109	1,781	1,328	883	13	65	120	5	242	—
5.	Mattancherry	1964	2,307	203	2,005	1,767	77	20	34	13	94	—
6.	Tirupur	1963	6,881	5,228	1,653	581	85	226	91	20	495	155
7.	Palghat	1961	6,573	3,675	2,898	1,447	45	50	165	14	325	852
8.	Junagadh	1961	3,880	1,677	1,668	676	66	104	410	12	193	202
9.	Bhusawal	1958	3,000	1,650	1,350	1,200	9	28	30	5	55	22
10.	Broach	1961	1,860	772	1,088	619	28	98	28	56	—	260
11.	Trichur	1963	3,131	324	2,807	2,128	57	74	238	55	255	—
12.	Kanchrapara	1962-63	1,929	899	1,028	531	10	199	51	29	208	—
13.	Chandarnagar	1962-63	2,312	1,134	1,176	914	20	40	19	8	175	—
14.	Siliguri	1965	3,179	509	2,670	1,029	160	89	165	13	566	648
15.	Barrackpore	1962-63	1,838	964	924	621	21	119	16	2	145	—
16.	Shimoga	1965-66	1,726	199	1,527	757	67	51	201	128	—	323
17.	Puri		4,160	1,428	2,732	1,306	50	—	150	45	—	1,181
18.	Naihati	1962-63	1,062	2,067	855	510	9	110	7	6	213	—
19.	Virudhunagar	1964	1,580	522	1,058	249	48	141	126	62	171	261
20.	Pollachi	1961	3,423	2,125	1,298	347	70	86	85	23	262	425
21.	Kottayam	1961	3,585	433	3,152	2,623	85	48	176	8	212	—
22.	Godrah	1961	4,960	3,301	1,659	1,026	33	36	92	90	—	382
23.	Palayamkottai	1963	4,744	3,278	1,466	466	17	28	399	32	223	321
24.	Sikar	1961	3,857	2,318	1,539	939	98	—	70	52	255	130
	TOTAL		81,379	40,568	40,811	22,672	1,258	1,852	3,391	345	4,604	6,089

LAND USE PATTERN OF SELECTED CITIES AND TOWNS—(*Continued*)

(in acres)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
20,000 to 50,000												
1.	**Wardha**	1964	2,113	799	1,314	401	78	109	286	78	291	76
2.	**Surendranagar**	1965	1,065	82	983	307	17	59	71	2	72	455
3.	**Viraval**	1963	777	343	434	181	25	62	25	7	103	31
4.	**Cannanore**	1961	2,684	150	2,534	1,979	21	15	100	70	349	—
5.	**Bansberia**	1962-63	2,056	1,211	845	425	4	153	45	12	206	—
6.	**Pandharpur**	1962	2,969	1,674	1,295	180	—	18	78	23	190	806
7.	**Tellicherry**	1961	3,783	717	3,066	2,153	34	32	100	5	190	552
8.	**Badagara**	1961	4,742	420	4,822	3,426	59	74	82	—	125	556
9.	**Srirangam**	1962	3,211	2,889	872	338	9	15	101	16	271	122

LAND USE AND ZONING

C. S. Chandrasekhara

LAND use in its simple sense denotes the use to which any piece of land is being put. Such use may be a house, a garden, a factory, a storage godown, a shop or a junkyard. The use can be private, semi-public or public. Land uses can also be considered under two broad groups, namely, agricultural land uses, and non-agricultural land uses, the former referring to rural areas, where land is primarily used for farming, grazing or forest land, fallow land or waste.

Non-agricultural uses of land are found mostly in urban areas and they refer to such uses as residential, commercial, industrial, warehousing, transport and communications, recreational, etc. It is conceivable that non-agricultural uses are found in the rural areas. Large factories have been established in the rural areas; large shopping centres have been located out in the open countryside along an important highway to serve a large prosperous rural area and many smaller urban communities. Farming activities will involve non-agricultural uses, such as the dwellings of the people engaged in farming which are normally located in the village *abadi*. In the conventional sense, however, a village is not considered non-agricultural as the dwellings are an essential part of the major activity, namely, farming. Similarly it is also seen that agricultural uses are found in the urban areas. These uses are, by and large, very limited in view of the economic factors which play a dominant role in determining the land use of any piece of urban land. On the periphery of urban areas, market gardens are a paying proposition because of the facilities available like a ready market, a sustained and fairly high demand for vegetables, dairy products, etc., and high returns from such activities. One also finds in low-density residential areas land being used for gardens but the agricultural use is subsidiary to a major non-agricultural use and does not exist independently by itself.

It is important to distinguish between classification of land use, as agricultural and non-agricultural and as urban and rural. In the former, the actual use of the piece of land under consideration is the determinant without any regard to its location while in the latter, location of that use in an urban area or a rural area as defined by

statute determines the category. At present an urban area is defined by the census definition which brings under it all incorporated areas under local bodies which have : (*i*) a population of 5,000 or more, (*ii*) a density of population per square mile of 1,000 or more, and (*iii*) 75 per cent or more of the workers in the area engaged in non-agricultural occupation. The rest of the country is rural. In this paper it is proposed to confine to the examination of the different aspects of urban land use which as mentioned earlier is predominantly non-agricultural in character.

Urban land use by its very sense indicates the use of land within an urban area defined by statute as urban and is under the influence of an urban economy. The use of land under these circumstances will be governed by factors that influence the growth and the functioning of the urban economy. The intensity of the use of land may be directly attributed to the degree of prosperity of the urban centre. The bigger the urban centre, the higher the intensity of use and the greater the degree of exploitation of the land use. In its turn, urban land use becomes one of the basic determinants of the urban economy. Thus, urban land use reflects the pattern and intensity of economic activities in any urban area.

Urban land uses can be broadly categorized into the following categories : (1) Residential, (2) Commercial (retail), (3) Offices and Banks, (4) Commercial (wholesale) and warehousing, (5) Industrial or manufacturing, and (6) Public and semi-public uses.

Offices and banks, in a sense, are connected with retail and wholesale business but as they are distinguishable from retail shops or storage or godowns, they can be treated as a separate category.

The pattern or the arrangement of these land uses in any urban area is dependent upon the size, function, and the regional dominance of that urban area. It is further influenced by the economic activities and the functional needs of the hinterland of that urban area. A rich agricultural hinterland will demand ample marketing, storage, servicing, administrative and professional service facilities from the urban areas. A mining area will use the town mostly for its supplies and recreational and entertainment facilities; if the town is a port also, then it will serve as an entrepot.

PATTERNS OF URBAN LAND USE

The pattern of urban land use in a small town is fairly simple and is dependent upon the simple functions performed by the town in respect of itself as well as its surrounding area. In a small town, the

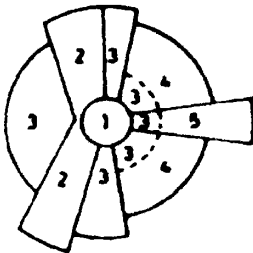
major portion of the town is residential with retail shops, industries of small and medium size, markets, public buildings, amenities like hospitals, high schools and sometimes colleges, parks and playgrounds occupying locations where they could function in a most effective way. Usually the centre of the town is taken up by retail commercial use and is surrounded by wholesale and light manufacturing activities on one side and by residential areas on the other sides. A diagrammatic representation of this pattern may be seen in Figure 1. As the town grows in size the different land uses extend and intrude into the other zones and lead to a completely mixed pattern of uses, not always rational and, more often than not, functionally less efficient and environmentally unsatisfactory.

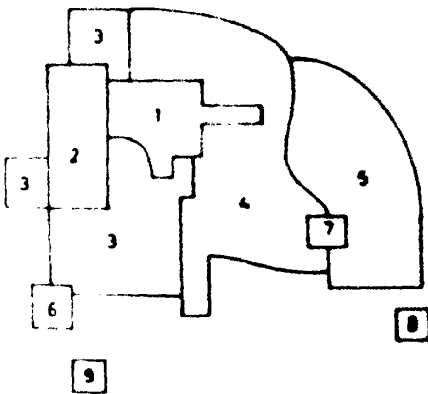
Land use patterns of urban centres vary from one to another but certain common characteristics or tendencies can be identified in almost all of them. Usually the city has a denser or closely built business area which acts as the core and around this core the economic life of the city revolves. In this core area taller buildings of the city appear irregularly at different points and indicate the location of specialized activity centre, such as banking and financing, retail commercial business offices, etc. Around and adjacent to the core area, the light manufacturing and warehouse buildings are generally found. Along the railway tracks or water front, the heavy industries get located. Contiguous to the light manufacturing or warehouse area are workmen's dwellings; such dwellings and tenements are also found in the small pockets in the light manufacturing and warehouse area and most of these are slums. The remaining part of the city consists principally of residential sections occupied by different population groups, distinguishable from one another by income, social and ethnological characteristics.

While this pattern is broadly true for a city with a single nucleus or core, as the city grows in size, secondary nuclei of retail business get established in the residential areas and around these secondary retail business nuclei, a pattern of development similar to the centre but less intense in character starts taking place. Thus, a very large city which has grown over a period of time in a natural way without any overall plan to guide its growth presents a very complex mix-up of different uses and of different intensities functionally inter-related in a complex way with pockets of low income residences in the light manufacturing, business or warehouse areas, which are veritable slums.

In this process of growth it is important to recognize that the location of certain types of uses are governed by

Fig. 1.

Diagrammetic Patterns of Urban Land Use

Basic Pattern
(After Homer Hoyt & Burgess)

1 · Central Business Core
2 · Wholesale & Light Manufacturing
3 Low-income Residential
4 Middle-income Residential
5 High-income Residential
6 Heavy Manufacturing
7 Outlying Business Sectors
8 Residential Suburb
9 Industrial Suburb

broad functional needs of those uses. For instance, retail business *activities seek locations with maximum intra-city accessibility, i.e.*, junctions of and on main roads leading to important sections of the city, where the flow of people and vehicles will be the greatest. While sale activity gets located on major transport routes, railway stations, and harbour areas, certain like activities get grouped together. For instance, the financial institutions like banks, insurance companies, etc., get grouped alongwith office buildings. Within the retail business sections, this phenomenon of clustering of similar uses is most noticeable. Food shops, cloth shops, shoe and footwear shops, form distinct sub-areas of a retail business area. Activities which repel one another, such as manufacturing and *high class residential, are generally located very far from each other. In* other words, high class residential areas will develop only in those sections of the city which are at a distance from the manufacturing area, and which have also better site conditions, such as elevation, scenery, etc. It will also be noticeable that the most desirable area for a particular use is not always available to it because of very high rents or other reasons. For instance, low-income population is best located close to the city centres as well as the manufacturing areas where their employment is available and which will help reduce the transportation cost to the minimum. However, as such areas fetch very high returns, low income families find it practically impossible to get rental accommodation in those areas within their means.

Land use patterns in cities and towns reflect their historic past and are a result of natural trends, social and economic needs and sometimes consciously expressed aspirations and achievements of the people of the city or town. In this process of growth, certain broad indicators become available which can serve as useful guides for their future expansion and development. Therefore, a study of the land use patterns of the cities and towns should be of interest. Many studies have been conducted of cities in the West as well as in India. A morphological study of four old towns of India (Madurai, Moradabad, Tiruchirapalli and Coimbatore) conducted by the author* shows some interesting trends of growth. Figure 2 gives the diagrammatic land use patterns of these cities. In these patterns one sees clearly the cumulative effect of certain centripetal and centrifugal tendencies. In all the four towns new extensions are marked by cantonments, civil lines and a railway colony added during the nineteenth century to serve specific functions. The general appearance of the older part of the

*C.S. Chandrasekhara and K. V. Sundaram, "Urban Morphology and Internal Structure of Indian Towns—Some Case Studies", Paper presented at the Annual Seminar of [illegible]

town reflected in the street pattern, housing and functional topography is complex and stands in sharp contrast to the newer parts.

A study of the nature, disposition, and arrangement of different land uses in these towns (*vide* Figure 2) revealed that (1) clear-cut functional zones are not discernible; (2) there is a core of mixed functions, irregular in size but more square or rectangular than circular; (3) commercial uses extend along radical roads; (4) industry tends to get located along means of transportation; and (5) in residential areas, differentiation by economic status is not very much in evidence.

NORMS FOR DIFFERENT LAND USES

In planning new urban areas, planners are inevitably faced with the problem of adopting certain norms for different type of land uses so that a desirable environment results. Certain studies regarding land use requirements for different sizes of cities and of different functions have been conducted and the results of these studies have proved of great interest and help not only in the planning of new urban areas but also in replanning parts of older cities. These norms may not always be achievable but they indicate the targets to be aimed at for the creation of a satisfactory urban environment. Table I indicates standards adopted in the U.K.

The study of land use in the existing cities and towns shows a great range of variation. Table 2 gives the land use in selected Indian cities according to a recent survey conducted by the Town and Country Planning Organization of the Government of India. The variations as revealed in the table are significant and they throw light on the functional nature of the towns classified according to their size.

Residential use constitutes the single largest category in our cities and towns. On an average 47 per cent of the developed areas of the cities and towns is utilized for residential purposes although the range varies from 38 to 57 per cent. As the size of the city increases, the proportion of land utilized for residential purpose goes down, indicating the more intensive residential use in the large cities as compared to the less intensive use in the smaller cities. On an average for every one thousand persons in the 103 cities and towns covered by the survey, 8·23 acres of land are in residential use, with an average residential density of approximately 125 persons per acre.

Commercial use accounts for only 3 per cent of the developed land although one would think, by the rows and rows of shops that

TABLE I

Analysis of Planned Land Use in Towns in England in 1959*

(Acres per 1,000 population)

	Total	*Housing*	*Industrial Areas*	*Business, Civic and Cultural*	*Education*	*Open Space and Play Fields*	*Railways and Water Ways*
Major Industrial Towns ..	51·4	21·9	5·6	3·5	3·5	10·4	2·5
Major Ports	59·5	21·3	4·2	4·0	3·2	12·2	4·6
Smaller Towns	79·5	27·2	9·6	3·3	4·3	16·7	5·0
New Towns	67·7	31·9	7·2	3·6	5·7	13·1	1·8
Hypothetical Newtown*	52·8	17·5	2·0	2·4	4·0	17·0	2·4

Source : P. A. Stone : 'The economics of housing and urban development'. J. Roy. Stat. Society Series A, 1959, Vol. 122. Pt. IV.

*Roads are not included in this section, taking up an additional 9·1 acres.

TABLE 2

Land under Principal Uses per 1000 Persons in 103 Cities and Towns

Sl. No.	Population Range	Residential (acres)	Commercial (acres)	Industrial (acres)	Public & Semi-Public (acres)	Parks & Play-grounds (acres)	Road & Streets (acres)	Others (acres)	Total Dev. Land (acres)	Total Land (acres)
1.	10 lakh and above	3·88	0·35	0·65	1·79	0·64	1·71	1·31	10·34	14·04
2.	5 lakh to 10 lakh	7·28	0·48	1·09	1·91	0·93	2·45*	5·55	18·92	35·08
3.	2 lakh to 5 lakh	11·62	0·85	1·44	3·02	0·58	2·86	3·38	23·75	34·40
4.	1 lakh to 2 lakh	15·90	0·78	1·52	2·79	0·71**	3·48	2·16	28·56	50·12
	All Class I	6·96	0·49	0·94	2·10	0·86	2·10	2·38	15·83	25·03
5.	50,000 to 1 lakh	13·65	0·76	1·11	2·04	0·57	2·77	3·66	24·57	48·99
6.	20,000 to 50,000	17·16	0·91	1·57	2·09	0·73	3·48	4·14	30·07	59·63
7	Less than 20,000	20·84	1·04	2·70	3·21	0·61	4·16	6·28	38·85	165·16
	All Classes	8·21	0·54	1·00	2·11	0·83	2·24	2·60	17·55	29·85

Source : Compiled from filled-in-schedules received from State Town Planning Departments.

*Excludes the area under "Roads & Streets" in Bangalore City.

**Excludes the area under "Parks & Playgrounds" in Cuttack.

are seen practically in all the cities and towns, that the entire town is commercial. The percentage of land under commercial use increases in bigger cities of a million and over and as the size comes down the land under commercial use gets proportionately reduced in area. On an average 0·54 acres of land per 1,000 population is taken up by commercial use. It is of significance, however, that in the bigger cities (with a population of 10,00,000 and over) the land under commercial use per 1,000 persons is 0·35 acres; about one-third more in cities of 50,000 to 5,00,000 and about two and a half times in the case of smaller towns.

Industrial use occupies on an average about 5·72 per cent of the developed land but this varies considerably, comparatively higher percentage of land is used for industry in the bigger cities, *i.e.*, those with over one million of population. For every 1,000 persons in the bigger cities, about 0·65 acre of industrial land is available and in the smaller cities this increases to 1·09 acres, 1·52 acres and ultimately to 2·7 acres per 1,000 persons in towns with a population *less than* of 20,000 inhabitants. Thus, industrial land is more intensively used in the larger cities than in the smaller towns. It is of interest to note that industrial land classification may not be fully significant as all land may not be utilized for actual industrial use and large tracks may be reserved for future use but presently shown as industrial. Further, in many cities excessive land has been zoned for industrial use and sometimes much more than what corresponding residential areas could support. The norms in this case require a more detailed study of classification of industrial land.

Roads and streets take away a fair percentage of total developed areas. This varies from 12 to 16 per cent or even higher. In the case of new towns the percentage of land under roads has gone up to 20-22 per cent. The older cities do not have proper widths of the roads for proper circulation and perhaps the low percentage of roads and streets is an indicator of the extent of the traffic congestion and bottlenecks in such cities.

A more important use is for public and semi-public purposes which includes schools, hospitals, libraries, posts and telegraph offices, police and fire-stations and others classified as public and semi-public uses. These occupy on an average about 12 per cent of developed land but this figure varies substantially from city to city and from size group to size group. Large cities have the highest percentage—17·33 per cent and smaller towns the lowest, *i.e.*, 6·96 per cent. In the capital cities and other a ministrative centres the percentage is higher. The land under public and semi-public use works out to between 1·8 to 3·0 acres per thousand persons.

Recreational land constitutes on an average 4·71 per cent of developed land and this varies from 0·06 per cent to 15·8 per cent. The larger cities have a greater percentage under recreational use than the smaller towns. For 1,000 persons recreational land is 0·93 acres in the larger cities and in the smaller towns it is about 0·6-0·7 acres per thousand. The land for recreational purposes, *i.e.*, for open space, parks and playgrounds is far too little. According to Western standards 7 acres or more per 1,000 is the minimum necessary for these purposes. In India, on account of resource limitations 4 acres per 1.000 has been assumed as the minimum for recreational purposes. As a norm this requires to be particularly noted. In fact, most of our cities, even some of the planned ones, do not satisfy this minimum requirement.

PLANNING OF URBAN LAND USE

The task of planning urban land use, or as is often the case, re-planning urban land use involves a recognition of the basic trends of urban developments in the particular urban area and conformance to certain broad principles which inter-relate the different land uses functionally as well as environmentally. Function relations between different land uses are obvious; the work centres must be close to residential areas as that would reduce the time spent on the journey to work as well as the cost of such journey. Parks and recreational places must be close to the residential areas and should be easily accessible. The retail shops must not be too far from the residential areas; where this is not feasible. It will be necessary to have hierarchy of retail shopping areas, starting with the central retail shopping area, district retail shopping area, neighbourhood retail shopping area, and so on. Wholesale trade had previously a great deal to do with the retail trade area. But the pattern of the wholesale trade area, which formerly used to include both wholesale trade offices and warehouses, has undergone a change in recent times. The warehousing and godowns have been shifted far away from the centre. The wholesale trade offices, however, continue to be located close to retail shopping areas. Warehousing is located outside the congested part of the cities so that the trucks can conveniently reach the godowns and loading and unloading can be done conveniently. This has introduced a new element, namely, the distribution of goods by wholesaler to the retailer and a new type of traffic is thus generated. Banks, offices, insurance companies get located close to the central business centre where the largest number of people come in and, therefore, have an opportunity to do two or three tasks conveniently at one time.

Land-use planning has to recognize these and other relationships and at the same time it has also to take into account the environmental

relationships which bring out the incompatibility or compatibil of the different uses when put close together. A manufacturi industry using coal is not compatible with a residential area becau it brings in a hostile environment of smoke, dust, noise, undesirab traffic, etc. Similarly, a gold and silver smelter cannot be located the central business area because of its environmental incompatibilit

Based upon these two considerations, namely, functional rel tionship and environmental compatibility land use patterns are wor ed out for existing towns as a part of their comprehensive developme plans so that over a period of time, the land use can get adjusted this new pattern, which assures each land use full scope for its operatio development and efficient working and, at the same time, it helps r move any incompatible uses that are adverse to the environment. T earmarking of different areas for different uses on the basis of the broad principles leads to zoning of land use. Zoning of land use is esse tially a planning process in which the different uses are clearly dema cated within an urban area,taking note of their present trends of grow and future expansion possibilities. The zoning map which indicat the land use pattern is basic to the overall development plan of tl area.

ZONING

Zoning to start with was based upon the idea of a single use zonin in which each use was confined to one particular area determined o the basis of its suitability and functional efficiency. Such a system possible even now in very small towns where the area occupied b each use is quite small and the total area is not beyond walking distanc and where incompatible uses are not likely to get mixed as there sufficient scope for development for each use in its zone. The singl use area was followed by the adoption of a hierarchy of zones accordin to a gradation of superiority and inferiority. The high income res dential zone was considered to be the most superior use, followed b middle income residential, low income residential, retail business wholesale business and warehousing, light industry, heavy industr and obnoxious industries in that order. This gradation of uses wa expressive of the environmental conditions of the area in which th use was located.

The combination of single use zones and the gradation o fuse led to a type of zoning which enabled superior uses to be permitte to be located in zones of inferior uses. This ultimately resulted in a irrational mix-up of different uses making the environment unsuitabl

for the use for which it was originally intended, and at the same time introducing inefficiency in circulation, performance standards, etc. Technological development, improvement in manufacturing processes, better control of industrial wastes, etc., have made this idea obsolete and today zoning is no longer considered on the basis of a single zone although there will always be a predominant use in every zone and along with it uses which are functionally and environmentally related are also located in that zone. For example, a petrol pump and an automobile service station is not examples of residential use but these facilities are very much required to be located in a residential area though in such a way that they do not endanger the environment in that zone.

Zoning which started in the beginning with the use of land as the principal purpose has gradually come to be adopted for other characteristics also. In addition to use zoning, we have height zoning, density zoning, intensity zoning, noise zoning, etc. Height zoning deals with the control of the height of all buildings in a certain zone which in turn limits the intensity of use. The intensity of use can be expressed not only through the limitation of height, but also by the limitation of amount of floor space which can be constructed on a particular plot. With the application of floor area control on individual plots and extending to a whole block of plots, the intensity of buildings in the block is regulated. Thus, intensity zone is achieved through floor area zoning. Density zoning which indicates the number of persons per acre has also been adopted in many development plans which is mainly notional in character as it is not possible to enforce density control; there is no way to restrict legally the number of people living in an area. It is possible for zones of low density in the heart of the city to become ultimately very highly congested. However, density zoning has a great advantage as it indicates the extent of community facilities that should be provided in each zone and thus serves as a plan indicator.

Noise zoning, which is of recent development, relates mostly to areas which are disturbed by aeroplanes. The development of modern aircraft which includes jets, jumbo jets and so on has increasingly led to greater and greater noise in the area surrounding an airport. Although the airports now are removed far away from the city, in the approach zones having a radius of 10 miles around the airport, there is a great amount of noise and vibration due to incoming and outgoing aircrafts. Zoning is being practised in respect of these areas from the point of view of noise levels. In the central areas of some cities and near hospitals, vehicles are forbidden to blow their horns

thus, creating a silence zone. This is an extended instance of zoning for noise.

LAND USE REGULATION THROUGH ZONING

When dealing with land use regulation through zoning we are concerned with five aspects, namely, land use, land misuse, land abuse, land non-use, and land re-use. These five aspects deal with the use of urban land in its various stages. In the first case, namely, land use we are concerned with the allocation of a piece of land for a particular use which may be residential or industrial or commercial. Land misuse concerns itself with the use of a particular piece of land in a way which either hurts the land itself or hurts the urban area in which the land is located or both. For instance, existence of slum dwellings on a piece of land in the heart of the city is obviously an uneconomic use and at the same time a social use of that piece of land; this hurts the area around by making the area blighted in appearance. The owner of the land as well as the community loses by the lowering of tax values. Prevention of land misuse will be one of the important tasks of land use regulation. Excessive sub-division of land into building plots on the periphery of an urban area would constitute abuse of land. Presently that piece of land may be in agriculture and in a very productive state. Dividing of this land into building plots, thereby destroying its present productive value and waiting for that land to be taken up by prospective builders or home-owners, leads to an abuse of the land. This is particularly undesirable in the case of fertile land on the periphery of the urban area. Prevention of such abuse is another objective of a land use regulation.

The non-use or disuse of land occurs when a piece of urban land which has great potential for development is held by people, purely with speculative motives and who do not allow it to develop. Such a situation takes place when speculative agencies get hold of urban properties and retain them in their possession, only waiting for better prices and with no intention of themselves developing that land for the use of which it is meant.

The re-use of land refers to a situation when land which has been used for a certain purpose is put to another use or the same use in a more intensive way. This happens specially in the heart of the towns and cities and also in areas which are rapidly developing. The conversion of agricultural into non-agricultural use is not necessarily a re-use. However, a clearance of a slum and use of the same area for the purpose of a commercial or a high density residential estate would

constitute a re-use. These five aspects of land use are important from the point of view of regulation of land use through zoning.

CONTENTS OF A ZONING LAW

A typical zoning law starts with the establishment on a map of the community, which may be of a town, a district or even a rural tract, the different types of zones or districts conceived in the comprehensive plan for the area. It also lays down the manner in which changes may be made in these established boundaries, the manner of amending the official copies of the zoning map and in the event of the destruction of the map, the manner in which a new map could be prepared. The manner in which the district boundaries are to be interpreted are also laid down.

Thereafter, the various stipulations and regulations in respect of each of the districts or zones are enumerated either districtwise or in the form of a tabular statement. Special requirements for any or all the zones are given in the text.

The zoning law then deals with those uses which do not conform to the regulations on the day on which the law becomes effective, *i.e.*, "nonconforming uses", their extension, their modifications and their subsequent conformance to the law. Apart from the usual legal clauses found in any law zoning regulations prescribe the manner in which the zoning map and the regulations are to be enforced, the constitution of a Board of Zoning Appeal for appeal over the decision of the zoning inspector, the powers and responsibilities of the Board of Appeal, reference to civil courts, and penalties for contravention of the regulations.

The zoning law is comprehensive in its scope as well as in its extent, *i.e.*, it applies to the entire area of the community and not only to a particular part of the community leaving the rest unrestricted and it regulates the use of land as well as the use, height, and intensity of buildings. Zoning laws do exist which are not comprehensive in their area or scope. Some refer to only a part of the community. For instance, the prohibition of parking in the central business area can be termed zoning also, as it seeks to regulate uses in the specific area. Similarly, the building bye-laws enforced by a local body may lay down restrictions on the height of the buildings and also on the area to be built. They do not, however, make any stipulation regarding the use of the building or the use of the land. To that extent the building bye-laws also function as zoning laws. But these are not comprehensive

and they do not reflect, therefore, the objectives of a comprehensive plan which zoning regulations do. Zoning only of a part of the community has also been attempted, but it has been found to be legally not sustainable as it leads to discrimination between one set of properties within a community and another set which is left to be developed without any restrictions. Zoning laws have, therefore, to cover the entire community to be legally sustainable.

EFFECT OF ZONING

The effects of zoning should be seen both from the point of view of the individual and the community. So far as the community is concerned, the effect of zoning is expressed in the objectives with which zoning regulations are brought into force, mainly: (1) to secure adequate light, pure air, and safety from fire and other dangers, (2) to conserve the taxable value of lands and buildings throughout the municipality, (3) to lessen and avoid congestion in the public streets, and (4) to promote public health, safety, comfort, morals and welfare. These objectives recognize the inter-relationships and interaction amongst the different land uses and buildings within a community and the manner in which such interactions may adversely affect the people living in the community. For instance, the establishment of a manufacturing industry in a residential area will introduce noise, smoke, and dust and will lead to the deterioration of the environment, causing the residential property owners in that area to suffer not only from hardships mentioned above but also from a general reduction in the property values. Such reduction in the property value will ultimately affect the revenues of the local bodies. Therefore, while an individual owner may benefit from the setting up of the industry on his property, a number of other people and the community as a whole are affected adversely. Zoning will prevent this from happening and at the same time direct the same industry to be located in an industrial area where special facilities like industrial power, improved fire-safety services, etc., are provided.

Similarly, regulations in respect of height, area, number of storeys, front, side and rear yards to be provided may appear to restrict the individual property owner in the use of his property *as he likes*, but actually assure the same property, light and air, avoidance of undue congestion of population, adequate provision of transportation, water, sewerage, schools, parks, etc., by insisting that all other property owners in that zone conform to the same regulations.

The enforcement of zoning regulations ensures that all developments within the community in each district are brought within

the scope of the regulations pertaining to that district and where there is non-conformance or a contravention, the community is able to take action against the offender and to remove the non-conformance within a stipulated period. Thus zoning tries to achieve the underlying social and economic objectives of a comprehensive development plan through a gradual improvement of the physical environment.

The effect on the individual is seemingly restrictive so far as the unlimited, unrestricted use of his land or buildings are concerned. But the restriction is not on any particular individual or groups of individuals but on the district as a whole for one type of use and on the whole community so far as all the restrictions are concerned. Thus, the individual is protected by the zoning laws from other individuals or even the community undertaking any activity that would endanger the value of his property or lessen the quality of the environment in any way. Against this overall assurance, the individual pays but in a small way by conforming to the zoning regulations. The overall effect of zoning both on the individual and the community is therefore beneficial.

ROLE OF ZONING IN URBAN PLANNING

As mentioned previously, zoning is a planning tool which should be used extensively for the implementation of the plans. All urban development plans have essentially to provide for certain restrictions to the future use and development of the land and zoning regulations from one set of such regulations. There may be others, such as subdivision regulations, peripheral control regulations, etc. Zoning is, however, the most important of these and is a part of the day to day administration of a development plan. Zoning is also the most common and familiar aspect of a development plan with which private owners of property come into contact. To undertake any development an application has to be made to the competent authority for the necessary permission, and the grant or refusal of such permission is governed by the zoning regulations. Because zoning regulations are brought intimately to the knowledge of the property owners during enforcement of the plan, a thorough publicity of the regulations during the draft stage of the plan and active participation of the public in the process of their finalization will help substantially to ensure subsequent conformance to the zoning regulations without too much of policing being brought into play. The public will better appreciate the need of their fully cooperating in the rigid enforcement of zoning regulations as any contravention will affect all of them.

Zoning regulations not only provide for the day to day implementation of the plan but also promote phased expansion of the urban area and its development. This is done by recognizing areas which are to be developed first and areas which are to be developed subsequently through deferred zoning. The same process also prevents excessive urban sprawl through indiscriminate subdivision of land within the urbanizable limits evolved on a long-term basis. By undertaking before hand the pattern of development envisaged by the plan, zoning regulations enable private developers to prepare the ground for new expansion as and when it is to be taken up. They also help public bodies to acquire land through compulsory acquisition for future urban development.

The idea of zoning in urban areas has been extended to rural areas on the periphery of towns. While in the urban areas, the land uses that are envisagd are mainly non-agricultural (*i.e.*, for residence, business, industry, recreation, etc.), in the rural areas both agricultural and non-agricultural uses come to exist side by side. The concept of rural area zoning has been accepted by courts and such zoning can help in the prevention of unhealthy subdivision of rural land in the light of the anticipated needs of future urbanization, the prevention of excessive fragmentation of agricultural land which might happen under conditions of excessive urban pressure, protection of good agricultural land from undesirable changes, and conservation of land under forests or otherwise for purposes of prevention of erosion. For instance, in Delhi the so-called green belt area beyond the urbanisable limits is getting divided into one acre and three acre plots indiscriminately and houses are being constructed on such plots. Although the plan lays down the maximum area that can be built upon for residential use on farms, there are so many ways of getting round this requirement that the green belt area is likely to become a vast urban sprawl dotted with houses. The idea of creating the green belt as an economic necessity and a social desirability may altogether be defeated. Proper zoning of the rural areas on a districtwise basis can prevent this from happening, especially if such zoning recognizes appropriately the needs of the rural areas for retail commerce, light industries, institutions, etc.

DO'S AND DON'TS IN ZONING

Zoning affects one way or the other every property in the community and wherever zoning appears to affect adversely a property, there are bound to be public objections raised and litigations started. It is important, therefore, that all zoning must bear substantial relation

to one or more of the stated objectives. Further, not only should zoning be fair to one and all but should also appear to be fair. A bad piece of zoning at one end of the town may explode years later under the feet of the property owners several miles away. It is important, therefore, that the zoning must be very carefully done and the boundaries of the zones determined in a very fair manner. This requires a knowledge of what can be done and what cannot be done under zoning.

METROPOLITAN PLANNING IN MAHARASHTRA

N. R. Inamdar

METROPOLITAN planning has assumed importance n all the countries that have witnessed urban development on a large scale. In the United States of America almost all the big cities have got prepared plans providing for economic, physical and administrative growth for coming decades. This is quite in contrast with the general anti-planning ideology prevalent in that country. Other advanced countries like the USSR, Japan and Canada have also taken to metropolitan planning. Britain has fitted the concept of metropolitan planning into the long established frame-work of town and country planning.

Contrasted with this widespread zeal for metropolitan planning in these countries the apathy towards it in India is phenomenal. The public in metropolitan centres as well as local government have not evinced any remarkable response to the idea of metropolitan planning. But, since the cities have shown an unmistakable growth trend during the successive census periods, governments, particularly state and local, have to take keen interest in planning for these urban centres. According to the 1961 Census, there are 13 cities mentioned below with above 5 lakh population each.[1]

City	*Population*	*City*	*Population*
1. Hyderabad	12,51,119	8. Ahmedabad	12,06,001
2. Madras	17,29,141	9. Greater Bombay	41,52,056
3. Poona	7,37,426	10. Nagpur	6,90,302
4. Bangalore	12,06,961	11. Kanpur	9,71,062
5. Lucknow	6,55,673	12. Agra	5,08,680
6. Calcutta	29,27,289	13. Howrah	5,12,598
7. Delhi	23,59,408		

Initially, these 13 cities at least ought to be taken for metropolitan planning on a priority basis. Otherwise, these cities are

[1] Government of India, *India : A Reference Annual 1967*, Publications Division, Ministry of Information & Broadcasting, Delhi, 1967, pp. 16-17.

bound to grow still bigger, resulting in more miserable physical conditions for their inhabitants. In fact, even at this stage, a case could be argued for placing on the map of metropolitan planning a hundred and odd cities with 1 lakh population and above[2] as far as preparatory action prior to formulation of planning proposals is concerned.

Metropolitan planning is, in a way, an extension of town planning to semi-urbanized and peripheral rural areas surrounding existing big towns. But, if town planning legislation is a recent occurrence in most of the States[3], have we to wait for more auspicious times for the advent of metropolitan planning to our big cities ? As with different aspects of social and economic planning in the country provision has to be made for simultaneous and concerted advances on both the fronts of town planning and metropolitan planning.

Land development and construction projects were launched in big cities in the past. Bodies like Improvement Trusts in Calcutta and Bombay, and Delhi Development Authority have done creditable work in this respect. But these efforts were confined to a particular aspect of urban development, namely land development, and that too, in a few selected pockets of large-sized urban centres. The Calcutta Metropolitan Planning Organization[4] was the first experiment in metropolitan planning in the country. Unfortunately, this metropolitan planning frame-work has not been placed on the statute book of West Bengal, which has baulked its implementation.

Maharashtra State has been the first State in the country to adopt and put into execution a comprehensive metropolitan planning legislation, entitled 'The Maharashtra Regional and Town Planning Act, 1966' (Maharashtra Act No. XXXVII of 1966). The enactment of the legislation was a sequel to the deliberations and recommendations of the Gadgil Committee (1965-66), which was set up by the Government of Maharashtra to formulate the broad principles of regional planning for the metropolitan regions of Bombay-Panvel and Poona and to make recommendations for the establishment of metropolitan authorities for preparation and execution of such plans.[5]

II

The reason why the State Government entrusted to the Gadgil Committee the consideration of metropolitan regional planning in

[2] *Ibid.*, p. 15.

[3] vide *Report of the Rural-Urban Relationship Committee*, Vol. I, Ministry of Health & Family Planning, Government of India, 1966.

[4] Calcutta Metropolitan Planning Organisation, *Reports* from 1962 onwards, Calcutta.

[5] Government of Maharashtra, *Regional Planning How & Why*, Bombay, p. 3.

Bombay and Poona areas only was that the major industrial activities in the State were mostly confined to these two areas. There was not only industrial, and consequent population, congestion in these two areas, but other deserving urban areas in the State could not so far derive any benefit from the Government policy regarding dispersal of industries away from larger and congested cities. Thus 30 per cent of the tertiary employment and 66 per cent of the factory employment in the State was concentrated in Greater Bombay; further, about 75 per cent of the value of industrial output and 84·5 per cent of the electricity consumption in the State was accounted for by Greater Bombay.[6] The Third Five-Year Plan had adumbrated another principle for industrial development, along with that of dispersal of large-scale industries, namely, in the planning of large industries the concept of region should be adopted. Economic region, resource region and metropolitan region were the three geographically graded concepts, the third smaller than the second and the latter smaller than the first. Regional planning could conveniently start with metropolitan planning, easiest to define and work out but of course difficult to execute. The operational objective before the Gadgil Committee was the dispersal of allocated industries and other factors of employment potential among the regional units with the aim of creating urban centres of suitable size with limited population.[7] In the Report under discussion the Committee spelled out the implications of this operational objective in its application to the metropolitan regions of Bombay and Poona.

The most important assertion of the Gadgil Committee was that the civic and developmental problems of the old city centres and even extended suburbs cannot be solved except in the context of the developments in the metropolitan region. This assertion paved the way for the whole-hearted advocacy by the Committee of the concept of metropolitan planning and its long-range implications. The adoption of a coordinated approach towards the over-sized complexes and the peri-urban rural hinterland, on the one hand, and the industrial and other types of economic activities, on the other, would alone lead to the resolution of the present crisis in the metropolitan centres.

The Gadgil Committee drew up a heavy planning work-schedule for the metropolitan areas which included: distribution of industry and population, allocation of areas for various types of land use,

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[6] Government of Maharashtra, *Report of the Committee Appointed for Regional Plans for Bombay-Panvel and Poona Regions* (Chairman : D.R. Gadgil), Urban Development, Public Health and Housing Department, 1966, p. 6.

[7] *Ibid.*, p. 7.

establishment of neighbourhood units with facilities, determination of the main communication system, alignment of public utilities and setting up of new towns and major town expansions.[8] This, of course, implied the usual function of control of design and layout.

The Gadgil Committee's operational recommendations centred round the stabilization of the populations of both the metropolitan regions at the level of the 1991-projections of the existing populations. Thus, the population of the Bombay Region ought not to exceed the ceiling of 75 lakhs (including 55 lakhs for Greater Bombay) while that of the Poona Region the ceiling of 20 lakhs (including 12 lakhs for Poona Municipal Corporation area). Towards this end, the Committee strongly pleaded for the movement of heavy and even light industries from the old Bombay City to the mainland and the reservation of the estates of the Maharashtra Industrial Development Corporation and other industrial areas and zones for the shifted industries. In Poona Region also, the Committee held that the industrial acreage must not exceed 3,000 acres in Poona City, 1,500 acres in Pimpri-Chinchwad industrial area to the north of Poona and 900 acres in Loni-Kalbhor area to the south of Poona. It even urged for the release of the excess areas from the 'Committed' industrial area for other users. Relief in the congestion of and commutation to overcrowded older urban centres was sought through the creation of new towns, about a dozen in the Bombay Region and two (Pimpri-Chinchwad and Loni-Kalbhor) in the Poona Region.

The Gadgil Committee advocated a radical land policy to speed up urban development in general and housing projects in particular. It envisaged requisite legislation for freezing land values or a large programme of buying of land, and the setting up, for this purpose, of a Land Commission with requisite legal powers.[9] Betterment levy, increase in rates, use of building regulations and number of tenements per acre, group or row housing instead of detached house system, were some of the instruments proposed by the Committee to induce proper development.

Large-scale public housing programme slum-improvement if not slum clearance, redevelopment of old cities, preservation of green belts, rural renewal, development of by-passes, roads and other means of communication, and creation of public utilities like adequate water-supply, electricity, drainage facilities and civic amenities such as parks,

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[8] *Ibid.*, p. 5.

[9] *Ibid.*, Recommendation No. 23 for Bombay Region.

gardens, play grounds, natural resorts, schools, tourist centres these and other items were suggested by the Gadgil Committee in its scheme for planned metropolitan development.

But the most significant proposal of the Committee from the point of view of the commissioning of metropolitan planning into action was that relating to the setting up of the Metropolitan Regional Planning Boards with mixed membership of elected representatives and government and expert nominees.[10] That the Committee attached as much importance to development as to planning was clear from its plea for a joint Planning and Development Authority.[11] But, later in implementing the Report of the Gadgil Committee, this emphasis on development (alongwith planning) seems to have eluded government's attention.

Excepting certain section of industry, the public response to the proposals of the Gadgil Committee was in general appreciative. In Poona the reaction of the industry was more critical than in Bombay. In Poona representatives of the industry were not so much opposed to the application of metropolitan planning as to the Committee's recommendation regarding the withdrawal of excess lands from industrial area or zone as well as the blanket restriction on very large industrial expansion in future. In Bombay also they did not agree with the Committee's proposal about the transfer of long-established industries like textiles as well as heavy and light industries from the Island to the mainland, so also about the location of future industrial expansion in centres away from over-crowded areas like the Thana-Belapur complex. But in Bombay people as well government were unanimously in favour of placing severe restrictions on any activities that would lead to further congestion of Greater Bombay.

III

The State Government acted with commendable speed on the Report of the Gadgil Committee, and within a few months after its submission placed the main recommendations (excepting one regarding joint Regional Planning and Development Authority) on the statute-book. The Maharashtra Regional and Town Planning Act, 1966 (Maharashtra Act No. XXXVII of 1966) came into operation on 11th January, 1967.

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[10] *Ibid.*, Recommendation No 23 in Chapter XVII.
[11] *Ibid.*, Recommendation No 24 in Chapter XVII.

The significant features of the Act germane to our concern here are those pertaining to regional plans,[12] new town development authorities[13] and special planning authorities.[14]

The main provisions in the Act in regard to regional plans are those dealing with establishment of region, constitution of regional planning board, and preparation, finalization and revision of regional plan. The State Government is authorised to establish any area in the State, by defining its limits, to be a region for the purposes of this Act. It is notable to observe that the Act avoids to use the word 'Metropolitan Region' anywhere in its provisions. From this it seems that government implies by 'Region' not merely 'Metropolitan Region' but 'Economic Region', 'Resource Region', etc. But for the purposes of this paper, the meaning of 'Region' is construed to be 'Metropolitan Region'. Government is also empowered to alter the limits of a region, amalgamate two or more regions, split up any region or declare that the whole or part of the area comprising a region shall cease to be a region or part thereof. Section 4 deals with the constitution of Regional Planning Boards. A Regional Planning Board will consist of a Chairman, the Director of Town Planning or his nominee, persons not exceeding four who are members of local authorities functioning in the whole or part of the region, at the most six persons having special knowledge or practical experience of matters relating to town and country planning, engineering, transport, industry commerce or agriculture, and a Town Planning Officer. All these members, including the Chairman, are appointed by Government. The State Government will appoint a Vice-Chairman from amongst the other members, but the Town Planning Officer will be the *ex-officio* Secretary of the Board. Government will also determine the term of office, conditions of service and amount of remuneration or allowances of the members of the Board. It can avail itself of the services of experts in the formulation of regional plan. The State Government controls the personnel as well as finances of the Board. It regulates Board's personnel through management of their terms and conditions and through the Chairman, its own appointee. Where the State Town Planning Department figures in this organization is left vague in the provisions of the Act.

Provisions regarding the preparation, finalization, publication and revision follow the same pattern as applicable to the town

[12] Government of Maharashtra, *The Maharashtra Regional and Town Planning Act, 1966*, Bombay, 1967, Chapter II, Sections 3-20.

[13] *Ibid.*, Chapter VI, Sections 113-124.

[14] *Ibid.*, Sections 40-41.

planning schemes except in two respects the scope of the contents of Regional Plan and the constitution of a Regional Planning Committee from among the Board members, for considering suggestions and objections received after the publication of a draft Regional Plan. Preparation of survey reports, maps including those relating to land-use, charts, plans and reports on works to be executed and actions to be taken are the usual functions of the Planning Boards. But a glance at the aspects of Regional Plan listed in the Act will give us an idea of its wide coverage. These aspects are :

(*a*) allocation of land for different uses, general distribution and general locations of land, and the extent to which the land may be used as residential, industrial, agricultural, or as forest, or for mineral exploitation;

(*b*) reservation of areas for open spaces, gardens, recreation;

(*c*) transport and communications, such as roads, highways, railways,

(*d*) water supply, drainage, sewerage, sewage disposal and other public utilities, amenities and services including electricity and gas;

(*e*) reservation of sites for new towns, industrial estates and any other large-scale development or project which is required to be undertaken for proper development of the region or new town;

(*f*) preservation, conservation and development of areas of natural scenery, forest, wild life, natural resources, and landscaping;

(*g*) preservation of objects, features, structures or places of historical, natural, architectural or scientific interest and educational value;

(*h*) areas required for military and defence purposes;

(*i*) prevention of erosion, provision for afforestation;

(*j*) proposals for irrigation, water supply and hydro-electric works, flood control and prevention of river pollution; and

(*k*) provoking for the relocation of population or industry.

New Town Development Authorities are envisaged in the Act for the development of sites and creation of amenities, utilities and services in the new-towns. The capital as well as the recurring expenditure of the Development Authorities will be borne by the State Government and as such these bodies are responsible to the State Government and the Legislature. Adequate authority regarding acquisition, development, management and disposal of lands has been vested in these bodies, as this will be the main source of income through which they will sustain themselves. Development Authorities will act as Planning Authorities within their own areas. Special Planning Authorities are visualised as supplementary to Regional Planning Boards; they might be set up in small areas to facilitate the work of the Regional Boards. They might also be set up outside the jurisdictions of the Region Boards. They will take over the planning functions of the local authorities within whose areas they will operate, but financial contribution for their maintenance is enjoined on these local authorities.

The utility of a Board for formulation of Regional Plan may be admitted, but how far the democratic processes of the Board's working will be conducive to the quick preparation of Plan on sound scientific lines is doubtful. Secondly, the provisions regarding the constitution and functions of the New Town Development Authorities and Special Planning Authorities, as far as they go, are all right. But, unless obligatory prescriptions regarding their implementation are inserted in the Act, these provisions, it is feared, may remain a dead letter.

IV

According to the provisions of the Maharashtra Regional and Town Planning Act, 1966, the Bombay and Poona Metropolitan Regions were established by State Government on 8th June and 7th July, 1967 respectively. Recently Nagpur Metropolitan Region has also been set up. This paper, however, analyses the working of the two Regions, Bombay and Poona, since Nagpur Region has started working only recently and its initial functioning is mostly concerned with routine aspects like collection of factual material for survey-reports. The Bombay Region, as recommended by the Gadgil Committee, includes an area of nearly 3,850 sq. kms. and consists of 940 villages having a population of 6,39,991 and 19 urban centres with a population of 46,42,724. It comprises all the area between the rivers Tansa on the north and Patalganga on the south bounded by Taluka boundaries of Bhiwandi and Kalyan and the foothills of Sahyadri in Karjat Taluka on the eastern side and Arabian sea on the western side. The Poona

Region, to start with, comprised an area of 540 sq. miles, but now it has been extended to include an area of 620 sq. miles, including 12 urban areas and 127 villages with a population of 9·93 lakhs. On the north the Poona Region is bounded by the Indrayani and Bhima rivers; in the south mainly by hill ranges; in the east by an open country outside the administrative limits of the Haveli Taluka; and in the west partly by the hills and partly by the large military settlement at Dehu.

Shortly after the establishment of the Metropolitan Regions, the Metropolitan Regional Planning Boards for Bombay and Poona were constituted on 31st July and 10th August, 1967 respectively. The Bombay Board with 13 members (including Chairman) and the Poona Board with 12 members (including Chairman) began their working from 1st and 26th August, 1967 respectively. The Secretary to the Government of Maharashtra, Urban Development, Public Health and Housing Department, was appointed Chairman of both the Boards. The Vice-Chairman of Bombay and Poona Boards are experienced persons, experts in their own fields of engineering and commerce and industry respectively. Besides, representatives of local authorities within the Metropolitan Regions, experts in industry, engineering, social sciences have found places on the Boards. The Boards have followed an ingenious method of associating several experts in different subjects connected with regional planning. Lawyers, researchers, engineers, architect, town planners, governmento fficials, retired civil servants, social workers, businessmen and industrialists have been associated as members of study groups of the two Boards. The Bombay Board has set up study groups on (1) Demography, (2) New Towns, (3) Industries, (4) Rural Planning, (5) Restructuring Bombay on East-West axis, (6) Water Supply Sanitation and Drainage Disposal, and (7) Social Planning. The Poona Board has study groups one less than those in the Bombay Board : (1) Demography, (2) New Towns, (3) Industries, (4) Transport and Communications, (5) Land Use, and (6) Housing. The Boards have also invited experts from the Town and Country Planning Organisation (Government of India), to participate in their discussions as well as to guide their actual work relating to surveys, personnel recruitment and decisions in technical matters.

The most serious difficulty faced by the Boards is regarding shortage of staff. This has arisen due to paucity of funds at their disposal. During the current year, Rs. 8 lakhs have been spared for the expenditure of the Boards. The whole of this amount is contributed by the Union Government. The Boards have written in their first annual reports that they have no independent budgets of their own, their staff being borne on the parent Department of Town Planning. How long can they sustain themselves in this position?

The first important problem relating to Metropolitan Planning in both the metropolitan centres is concerning industrial location. Shifting of heavy and even light industries from the Bombay City has been given priority in the schedule of metropolitan planning proposals. The issue of full utilization of excess vacant lands belonging to industries settled in the Bombay City is raised in this context. The sale of these excess vacant lands for non-industrial user would yield substantial funds which these industries can use in rehabilitating themselves in the Region but outside Greater Bombay. The incentives offered by government to industries settling in the State outside the Bombay-Poona industrial complex as well as the provisions of the Bombay Building Act, 1948 have not been effective in the decentralization of industries away from congested established industrial centres of Bombay and Poona. Difficulties with regard to payment of compensation to involuntarily retrenched workers, costs of transport and new constructions and additional burden of octroi are also cited as impediments in the shifting of industries to the Region outside Greater Bombay and Thana-Belapur complex. The planners are aware that if industries are not allowed to expand or establish in convenient industrial areas in Greater Bombay or Thana-Belapur area they might prefer to migrate to other States. The idea of locating the migrant textile units from Bombay City in a single homogeneous industrial estate equipped with necessary facilities is also put forward as a bait to these units. On the other hand, it is argued that, if the textile industry in Bombay is shifted to the cotton-growing areas in the State, it would be a boon in disguise. As an overall policy, distinction has to be made between industries well-suited to the natural facilities offered by a port-city like Bombay and those which could be located anywhere without any difficulty. No doubt, the issues involved in the policy regarding industrial location are delicate, impinging on the industrial policy of the State Government, and the solutions to these have to be pragmatic, but the basic objective of metropolitan planning, *viz.*, appropriate use and development of the area within the Region, should also not be lost sight of.

In Poona Region, the question before the planners is that of placing a ceiling on the prospective industrial growth with a view to stabilizing population at the projected level and seeing that it takes place in well-demarcated industrial zones, rather than of relocating settled industries as in Bombay. The issues as to how much of the excess land with the Maharashtra Industrial Development Corporation should be withdrawn from its control and whether additional industrial locations should be made available on the southern side at Loni-Kalbhor or on Saswad Road are subsidiary, flowing from the major premise regarding volume of prospective industrial growth.

The issue bearing on the types of industries to be permitted in the regions is really secondary in the sense that, once necessary facilities (including those for disposal of effluent and prevention of nuisance) are available, it is mainly the question of locating different types of industries in distinct zones.

Another related problem is concerning New Towns. In Bombay Region, the planners visualize the development of townships in four industrial centres (Trans-Thana, North of Thana, Kalyan-Ambarnath and Khopoli) on an urgent basis and in half a dozen other centres. The emergent need in Bombay Region is not merely to provide for amenities, services and utilities in these new towns but also to develop intercommunication in the whole of the region, as among the new towns. Whether there should be one large-sized new town or a number of small townships is an issue posed before the planners in the Poona Region. To facilitate dispersal of population and industries, a number of small townships seems the desirable proposition. A new town with two and a half lakhs population at Pimpri-Chinchwad and another with one and a half lakh at Loni-Kalbhor, as recommended by the Gadgil Committee, are valid objectives. The question of residential area mixing with industrial area cannot really be answered in a vacuum, since industries have provided for colonies for their employees on their estates, and to encourage them to do so has been the policy of government. What is necessary is that outside the industrial estates, mixed industrial and residential uses have to be prohibited. Proper utilization of existing space is of course a preliminary desideratum in land use, but more important is the developed inter-connection between scattered spaces and equipping them with adequate civic amenities and facilities. Various forms for organizing New Town Authorities might be resorted to. The Maharashtra Regional and Town Planning Act, 1966, provides for the New Town Development Authority, but this requires huge investment on the part of government for acquisition of lands. So, the State Government have decided to utilize the provisions of the Maharashtra Municipalities Act, 1965, for constituting New Town Municipal Authorities with nominated and elected members. This would be a democratic authority as compared to the Development Authority, but whether this would really solve the urgent problems of development confronting New Towns is an open question. Use of Development Authorities for the purpose would have been the better solution. Government can still commission into action the Regional Development Authority as envisaged by the Gadgil Committee, which would ensure the development of the whole Region in a unified perspective. Control of

land values and development control[15] on the two problems that have to be tackled by the planners in the interests of proper regional development.

Provision of an infra-structure for Regional development like transport and communications, housing, etc., is bound to involve a huge financial outlay. The estimated costs of the three items of road development, *viz.*, freeways, expressways and major routes in Bombay City alone, according to the Report of M/s. Wilber Smith and Associates, came to Rs. 96 crores. The total expenditure on road development in the State during the Fourth Five Year Plan amounts to Rs. 80 crores.[16] The outlay on housing in the Bombay Region is estimated to be Rs. 712 crores. Metropolitan Planning is indeed a huge operation, but ways and means have to be found out to make it a success.

Some problems of metropolitan planning for the Bombay and Poona Regions are peculiarly local, as for example those arising out of the limited physical outlets, for the growth of Bombay and the historical, administrative, and cultural character of Poona. But many of the problems discussed here, such as those relating to industrial location, development of new towns; building of infra-structure, preservation of open spaces and green belts are common to the metropolitan areas elsewhere in the country.

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[15] The Administrative Reorganisation Committee (1968) of the Maharashtra State has suggested the enactment of a legislation on the lines of 'The Punjab New Capital (Periphery) Control Act, 1952' to ensure development control in peripheral area (Report, Bombay, p. 201).

[16] *Regional Planning How & Why*, *op. cit.*, p. 19.

RESOURCES FOR URBAN DEVELOPMENT

Jayanta Madhab

THE rapid urbanization in India has created an enormous additional burden on the scarce resources of the country. Every year nearly three million new people are added to the urban centres. The problem of providing new facilities for this additional population growth is serious enough but more urgent and severe is the problem of obsolescence and fast deterioration of physical plants in the existing urban centres. This infra-structure was neither designed nor prepared to absorb a large influx of people nor organized to handle a sudden increase in the agglomeration. Therefore, the problem of mobilization and allocation of resources between the other developmental heads and urban development is both real and acute.

In order to understand the problem of resources for urban development in India in its proper perspective, a brief digression on the related issues of urbanization and industrialization is necessary. Rapid urbanization in India has taken place for quite different reasons from those in the case of developed countries. In those countries, mechanization and higher agricultural productivity had thrown out the surplus labour force from the agricultural to the urban sector. At the same time, due to the increased demand for capital and consumer goods from the agricultural sector, the urban centres prospered and thus were able to rehabilitate the surplus labour force.

The crux of the matter is that each of these countries had made enough capital formation in the process of its development to absorb the surplus labour force generated in the agricultural sector in other occupations. Initially, the urban prosperity was, of course, due largely to the higher agricultural prosperity.

In India urbanization, on the other hand, has occurred largely on account of the fact that the agricultural sector has comparatively stagnated over the years. Because of this prolonged stagnation large scale migration from the rural to urban centres in search of employment and other facilities has taken place. As the productivity of the agricultural sector was not growing fast—in fact in some cases it has shown negative productivity—the demand for capital and consumer goods produced in the urban centres did not correspondingly rise and as a consequence the urban centres failed to accumulate enough

capital fast enough to absorb the large scale influx of people. The result is that employment in the tertiary sector and the household industry sector, where the opportunities for disguised unemployment are high, has swelled without proportionate rise in the national product. In the western countries, a system, both organizational and financial, was devised so that, with the growth in urbanization and in urban income, a part of surplus was channelled for urban development. An effective system of that kind has yet to be devised in India.

The above is, no doubt, an oversimplified analysis of the mechanics of urbanization. The issue is, however, much more complex than it appears and there are many other factors contributing to the rapid urbanization. It is, however, sufficient to show for our purpose that the urban centre's present plight is not largely due to its failure in providing urban services in time but it is an effect of relatively low rate of growth of the economy in general and failure in policies of development of the agricultural sector in particular. Therefore, while viewing the problem of urban development one has to look at it in a broader perspective rather than subscribing to the view that urban development is purely a local affair.

These urban centres have been the nuclei of industrial production and export industries, nerve centres for political, social and cultural activities and revenue earners for the state. The responsibility for arresting the deterioration of the urban physical plant and for providing facilities for massive growth should not, therefore, be left to the local governments alone.

II

The authority for planning and the power of mobilization of resources for the plan should ideally be vested in the same agency. If planning is defined as "the wise allocation of scarce resources for defined development objectives", and is treated as a tool to improve the decision making process, then it must be located where socio-economic and political decisions—affecting both individuals and society—are taken. For, the bulk of the resources—either for servicing the loans and maintenance of facilities or for capital investment—have to be raised locally affecting the consumption—saving pattern of individuals. In mobilizing resources for planned development the big question one has to face is : how much will the community forgo presently for goods and services to be obtained later? Under a democratic framework, individuals directly or indirectly show their preferences by voting

for programmes or manifestos of individuals or parties on these questions.

If the two functions—planning (*i.e.*, resources allocation) and resource mobilization are kept separate and vested in two different agencies having different political jurisdiction, planning then becomes merely advisory and more often than not ineffective. Planners, in this case, have neither clear-cut guidance as regards what goods or services the community wants nor an understanding of what the community would forgo in order to get the desired things. The separation of planning from the realities of resource estimation is dangerous. In such cases the planners may run the risk of behaving rather irresponsibly in designing service standards much in excess of capabilities of maintenance by the local authorities. Where the Improvement Trust and the Municipal Corporation are two separate independent authorities, the Corporation, which is the maintenance authority, often complains about the high design standards of the former. There is another critical problem in resource planning which needs to be stressed. The specific nature of the metropolitan city gives rise to a big problem. A metropolis is distinguished from other municipalities by a large measure of interdependence between the "catchment" or hinterland area and itself. For example, the metropolitan Calcutta daily absorbs a vast numbers of commuters from far and distant places, attracts immigrants in search of employment and facilities and provides vital links and service facilities to the vast hinterland. As a result, the local government has not only to provide services and facilities for the citizens of the area but has also to extend them to a group of beneficiaries well beyond the territorial limits of local government. This group of people does not pay any local taxes. For example, metropolitan Calcutta has to provide a vital link bridge in the river Hooghly not only to serve the needs of its residents but also to meet the claims made on it by the commuters, the transport industry of the hinterland, and by defence needs. It is these external economies or what may be called the spillover effects, generated by metropolitan civic services, that justify the magnitude of investments that is generally demanded of a metropolitan government. If a metropolitan government representing a local government were to make investment decisions regarding civic amenities for its citizens alone, there is no reason to expect that it would be willing to finance such a high level of investment.

To persuade it to go in for investment up to the level demanded by all beneficiaries concerned, there has to be an understanding with higher levels of government representing those other beneficiaries that they would participate in meeting the cost.

The importance of external economies in justifying the investment in metropolitan infra-structure is, however, not explicitly recognized. As a result, there is general resentment towards what are considered unnecessary subsidies to the rich metropolitan cities from the rest of the nation. There are even more serious consequences of the misunderstanding which directly affects fiscal planning. Planners of metropolitan services do take account of these external benefits in making investment decisions but since this is not spelled out at the time of such decisions the participation of external beneficiaries in each scheme does not automatically follow. Consequently, investment decisions are often made which are not strictly in line with the preferences of people who are expected to pay. They, therefore, do not agree, or fail to pay for the adequate maintenance of the infra-structure, while external payments also do not come in as regularly or in as sufficient amount as expected. This is one of the primary reasons why most metropolitan governments are in financial difficulties. The problem, therefore, is one of identifying the beneficiaries and the related institutions with specific projects and programmes. Once these are identified, a dialogue on the cost and sharing of the project should precede the final decision on investment. This should be a continuous process.[1]

III

The subject of local resources has been dealt with by various committees and planning bodies.[2] It is, therefore, needless to recount all the recommendations on augmentation of local resources. I shall merely emphasize here two points and deal with a few others which have not so far been given sufficient attention.

Establishment of a valuation machinery at the state level for the purpose of assessment of properties has been recommended by most of the committees to improve the revenue system. Most of the local bodies suffer from the defect of under-assessment of properties. Under-assessment varies from about 25 to 85 per cent. If it were uniformly under- or over-assessed it would not have mattered much as it is then a mere question of adjustment of rates (it would have, however, created some difficulties where the rate or a maximum/minimum is prescribed

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[1] *See* for a full discussion : Nirmala Banerjee, *The Role of Fiscal Planning in Metropolitan Development : A Partisan View*, Paper submitted at the 16th Annual Town and Country Planning Seminar, 1967.

[2] Mention may be made of the following outstanding reports : *Local Finance Enquiry Committee Report*, 1951 ; *Taxation Enquiry Commission Report*, 1953-54; ***Report of the Committee of Ministers constituted by Central Council of Local Self Government***, 1953; *Delhi Master Plan*, 1961 ; ***Development Plan for Greater Bombay***, 1964; and ***Basic Development Plan for Calcutta Metropolitan District***, 1966.

in the Acts); but, as it is not, fairness or equity cannot be ensured. It may be that, due to this under-assessment, the very high rates—37½ per cent in Bombay and 33½ per cent in Calcutta—on annual rental value are tolerated by the communities. A central valuation machinery is, therefore, an immediate necessity to improve the revenue base and ensure equity.

Rent control is another factor which distorts the assessment pattern. Though the basis for property taxation is the annual rent, defined as reasonable rent at which the property could be let to a hypothetical tenant on a year to year basis, municipal acts provide, at the same time, that in case of premises for which rent control act is applicable, reasonable rent would be the rent fixed under that Act. This provision has partially frozen the property tax base in a large area in Bombay as well as in Calcutta. This limitation affects adversely both local governments and the tax payers. Local governments have not only lost a substantial portion of their potential revenue for years but are also faced with problem of gradual deterioration of the area where rent control properties are located. As for the tax payers, those who pay taxes fixed under rent control act which is, generally speaking, much lower than both market rent, and those who pay on the basis of actual or reasonable rent, enjoy the civic amenities equally. This gives rise to a wide disparity in local tax incidence which leads to inequality and inequity.

With the establishment of a centralized valuation machinery which could be utilized not only for municipal property tax assessment but also for stamp duty, death duty, wealth tax, and land compensation purposes and also with the gradual abolition of rent control, the municipal corporations could double their revenue even with a slight reduction in their tax rates. Therefore, the central focus on local government revenue reform should be on the twin problem of assessment machinery and rent control.

Municipal governments are the creation of the state governments and each state has, according to its own thinking, delegated both functions and revenue powers to these local governments. The revenue powers of the municipal bodies, therefore, vary from state to state. For example, Bombay Corporation and Delhi Corporation have larger taxing powers than Calcutta Corporation whereas Madras State Government and the Delhi Administration pass on a larger share of tax revenues to the municipal corporations than in the case of Maharashtra or West Bengal. Calcutta Corporation, however, gets a sizable grant from the State Government as against very little in the case

of Bombay and Ahmedabad. The Madras State Government assists the Municipal Corporation to the tune of 50 per cent as grant in its capital investments while Bombay and Calcutta get hardly anything on this account from their respective state governments.

Though the system is varied and some corporations are slightly better off than others, yet the point remains that none of the local governments can embark on a large scale urban development programme without the assistances from the superior governments.

The states, in particular, could assist the municipal governments in the shape of grants-in-aid under a rational formula. They may give municipal corporations three types of grants.[3] The first one ought to be a statutory grant based on the needs of the local body. The need varies directly with the population it serves and inversely with the wealth of the citizens as measured by the per capita assessment value.

If grant is taken to be directly proportional to the population and inversely proportional to the per capita valuation, it can be shown that the marginal rate of growth of a grant is twice the marginal rate of growth of population less the marginal rate of growth of value. This could be shown in symbols :

$$G = k \frac{p}{\frac{v}{p}} \quad \text{or} \quad G = k \frac{p^2}{v} = f(p, v)$$

where k = constant,
p = population of the area,
v = total assessed value, and
G = grant.

It can be shown approximately :

$$\frac{SG}{G} = 2\frac{Sp}{p} - \frac{Sv}{v}$$

where SG is the increment of G corresponding to small increments Sp and Sv of p and v respectively.

A second type of grants the State Government could give to different local bodies or authorities on a matching basis checking on the physical performance. These grants could be optional and could act as an

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[3] This suggestion was made by the Calcutta Metropolitan Planning Organisation in its report : *Crisis in Calcutta Corporation: A Programme for Action*, 1967.

incentive to put up better performance. A third type, an in-lieu grant may be given if state governments for administrative reasons perfer to keep certain taxing powers. Motor vehicle tax is an example of this kind. Local bodies used to levy this tax but for better administration it had been transferred to the state government in lieu of a grant. Instead of giving a fixed amount the State ought to give a certain percentage on its collection. In that case the local bodies get the benefits of an elastic tax base.

IV

With the introduction of central assessment and reform in the rent control act and also with the institution of a regular but rational grants-in-aid system, urban governments would be much better off than ever before. Even with all these, it might not be possible for these bodies to embark on a large scale capital improvement programme. New sources of finance have to be found. Many suggestions have been made by various experts and committees. Urban Land Tax, Local Surcharge on Sales Tax, Employment Tax, and Value-added Tax are some of them. These measures have not found acceptance either because of constitutional difficulties or due to superior government's reluctance to part with them. In any case, except for the local surcharge on sales tax and the value-added tax none of them would yield significant revenue. Search for new revenue sources, therefore, continues. According to the present division of powers between the states and the centre, as provided in the seventh schedule of the Constitution, there is hardly any scope of finding any new taxes. Therefore, one has to look within the system for a source which is both constitutionally permissible and revenue-yielding.

Such a source is land. We can use land as an instrument for mobilizing resources for urban development. Due to rapid urbanization and also governments' investments, land prices have been rapidly increasing in and around the urban centres. There are large demands for land in these urban centres. Land owners are making large profits out of these transactions. State governments or any agency of the state government, could enter into the land business and thus earn a substantial surplus which could be utilized for financing urban development. In this process government will gradually own a larger and larger area of urban land. Thereby government will not only cut down the cost of development but also be able to control, to a large extent, the land prices as it will be a big owner of land.

There is yet another important advantage of utilizing land for resource mobilization. Depending on the design of the method of

payment and also on the class of buyer, land sale by Government may result in net addition to the savings of the communities.

Granted that land may be used to mobilize resources and also that this may result in net addition to the community's savings, the main difficulty is how to get hold of land quickly and cheaply. Land has to be acquired, either through land acquisition acts or bought by negotiations. In either case, land cost is prohibitive. The problem before us is to devise a way by which land may be acquired without contravening constitutional guarantees, yet, at the same time, economising on the cost of acquisition. This leads us to some discussion on land acquisition acts and compensation.

V

State governments acquire land for public purposes through the Land Acquisition Act of 1894. There are various other acts but most of them are variations of the 1894 Act. This Act provides for compensation on the basis of market values as on the date of preliminary notification, and, in addition, a solatium of 15 per cent to be given for compulsory acquisition. Payment of compensation on the basis of market value for large scale acquisition of land is beyond the financial means of the State governments.

Faced with this dilemma, various State governments have enacted land acquisition laws providing for compensation at less than the market value of the properties at the time of acquisition. Compensation on the basis of market value of an antedate—goes as far back as 1946—was one of the formulae adopted. The philosophy behind this was that because of urbanization and public investment, land prices have risen without much individual effort of the land owners. Therefore, the surplus, which is an "unearned increment", really belongs to the society. One Central Government report puts this argument quite bluntly:

> "Should the community as a whole be asked to bear the burden of high compensation cost which will benefit only a few individuals? Is there sufficient justification in the individual's claim to both "unearned increase" and "potential development value"? Obviously, on considerations of social equity the answer to this question will be in the negative."[4]

[4] Government of India, *A Note on Urban Land Policy*, New Delhi, Central Regional and Urban Planning Organisation (Ministry of Health), p. 14.

On the other hand, the Supreme Court, as the interpreter of the Constitution, upholds the view that compensation should be "just equivalent" to the property and should be reasonably close to the market value of the property at the time of acquisition. Any deviation from this norm is unlikely to pass the test of the Court.

Here, then, is the real dilemma. On one hand, in order to pass the test of the court of law, the compensation formula must be based on the market value of the properties; on the other hand, the net cost of acquisition to the public bodies must be relatively low so that large scale acquisition for development planning is possible.

A synthesis of both these factors, in my opinion, is possible. Compensation should be made on the basis of market value of properties or even on the basis of negotiated value in order to get the property as quickly as possible. On the other hand, a stiff capital gains tax on property should be imposed in order to cut down the net cost of acquisition. This will also help in appropriating part of the "unearned increment" by the State. The point is that there is at present a capital gains tax imposed by the centre as it is a central subject. The states who are the land acquiring authorities—as land is a State subject—do not gain anything out of it. If this tax is transferred to the State List, the cost of acquisition of land would be much smaller than what it is now.

There should not be much difficulty in transferring the capital gains tax on transactions of real estate from the Union to the State List, as the subject of land and all taxes relating to land, logically belongs to the states.

There is also the question of equity involved here. This formula is much more equitable than paying compensation at less than the market value. Equity is ensured between the two classes—one who sells to a private party at the market value and the other whose property is acquired by the government at less than market value. Unless private buying and selling is stopped, government taking recourse to a formula like that would lead to inequity. Now, by paying market value and, at the same time, imposing a capital gains tax on all transactions, equity is ensured.

HOUSING AND SLUM CLEARANCE

Jagmohan

THE problem of 'housing' and 'slums' has remained one of the most baffling and complicated problems of the modern times. It is no exaggeration to say that, "so far as housing is concerned, the whole world has remained under-developed. From Harlem to the Congo and from Peru to Pakistan, the urban worker can buy a Cadillac more easily than a good house."[1]

The developed nations of Europe and North America have no doubt made tremendous progress in easing housing shortages and eradicating slums, but they are still suffering from the afflictions of urban malformations of the eighteenth and the nineteenth centuries. No country in the world, not even United States and U.S.S.R., can claim to have completely solved the problem. In spite of their phenomenal economic prosperity and technical advancement, they have not succeeded in providing cheap and healthy accommodation to the common man. During Khruschev's visit to United States, he reminded the Americans that they had 13 million families living in slums. Quoting from George Meany's address at the Trade Conference held on March 11, 1968, Khruschev said, "Do you know that according to the latest survey, in December 1956, 13 million families in the United States were living in houses not conforming to the accepted standards. Thirteen million families! And the census showed that these figures had remained practically unchanged since 1950."[2] The position in U.S.S.R. is not materially different. This is what the Deputy Chairman of the City Planning Commission of the U.S.S.R. had himself to say, "Although we have already resolved to provide every family with a separate flat of two or three rooms, the situation for the time being is such that entire families are assigned to each of the rooms in the new houses, so that the new flats once more turn into over-crowded dormitories with all the joyless consequences which could sooner frighten people away from rather than attract them to the idea of communization of life".[3]

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[1] Charles Abrams, *Housing in the Modern World*, London, Faber & Faber, 1964, p. 53.

[2] *Speeches by N. S. Khruschev*, the U.S.S.R. Embassy, Canada, 1958.

[3] S. Strumilin, "Family and Community in the Society of the Future", *Soviet Review*, Vol. 2, No. 2, Feb. 1961, p. 19.

ENORMITY OF THE PROBLEM IN UNDER-DEVELOPED COUNTRIES

Whereas the developed countries have problems which still require serious attention, the position in the under-developed countries is desperate. In the former, the problem of over-crowding and slums still exists, but there is hardly any one who is homeless, or sleeps in the streets, or forcibly occupies public lands to put up a shack or hovel. In the under-developed continents of Asia, Africa and Latin America, about half of the population is "either homeless or lives under grossly over-crowded housing conditions which are menace to health and human dignity".[4] In India,[5] the current shortage of urban houses alone is 12 million units, and 73 per cent of the dwelling units have no bath rooms. A survey made in the year 1948 in the city of Bombay revealed that average floor space occupied per person was 27 sq. ft. The census[6] figures for 1961 for the same city indicated that one in every 66 persons was homeless, while another 77 thousand lived in stairways and cattle sheds, etc. It was common to find 10 to 15 persons crowded together in a small space of 10 × 15 feet. What is true of Bombay is also true of other urban centres of three under-developed continents. In Panama,[7] for instance, 20 people sleep in one room of 15 × 15 feet, and sleeping is done in relays. In Kingston (Jamaica) a hut of 6 × 10 feet is, on an average, occupied by 9 persons. In Lagos (Nigeria) even in the fringe areas, 16 to 20 persons usually occupy one small house.

The big metropolitan centres in the under-developed countries are expanding at a tremendous pace, under the impact of industrialization and urbanization. Charles Abrams has estimated that in the under-developed countries of Asia, Africa and Latin America, about 200 million people would move to the cities in the current decade and the urban population of these continents would double itself in the next 14 years. Calcutta will have about 16 million population by 1970, and 50 million by 2000. In a city, where 6 lakh people already sleep in the streets and where there is acute scarcity of resources, the staggering nature of the problem, in the context of the population that would grow up to 50 million by 2000 A.D. can well be imagined.

The condition of village housing is no better in the under-developed countries. Slums are not always the hideous outcome of

[4] United Nations, *Development Decade : Report of the Secretary General*, New York, 1962.

[5] Government of India, *Report of Ford Foundation Team on Urban Housing*, Ministry of Works & Housing, 1965, p. 21.

[6] Government of India, *Census of India*, 1961, Vol. XIX, 1963.

[7] Charles Abrams, *op. cit.*

urbanization, as is generally believed. In the under-developed countries, they are more a product of poverty than of urbanization. In these countries, most of the villages are nothing but slums, although the crippling effect on body and soul is some-what mitigated by the open atmosphere around. Referring to the conditions of the Indian villages, Gandhiji once said, "Instead of graceful hamlets dotting the land, we have dung heaps. The approach to many villages is not a refreshing experience. Often one would like to shut one's eyes and stuff one's nose; such is the surrounding dirt and offending smell".[8] The conditions have not materially changed since then, and the dirt and offending smell still greet us in most of the villages.

The census of 1961 revealed that the housing conditions in rural India were really appalling. Out of 651 lakh occupied houses in the villages, only 124 lakh, *i.e.*, 19 per cent, were 'pucca' ; 38 lakh rural families had no house at all. A few typical studies conducted earlier in the villages revealed that the problems of congestion, sanitation, and water supply, were as acute in rural India as in the worst slums of the metropolitan areas. According to the Bhuvel[9] village survey, the population suffered from narrow and slushy roads, dirty pools of water, heaps of manure and unhygienic water supply. Only 3 per cent of the houses were well ventilated, and 27·3 per cent had only one room tenement. The survey of housing conditions in rural Saurashtra[10] indicated equally depressing results : "While in rural areas, the percentage of houses owned was greater than in urban areas, the floor space per capita was only 58 sq. ft. The number of rooms per tenement was less; sanitation and ventilation were worse; and farm produce, fodder and cattle competed with men for space in residential houses".

What is alarming is that the conditions in the under-developed countries are steadily deteriorating. For instance, in India[11] the overall shortage of houses was 74 million in 1961; the current shortage is estimated to 81·4 million. On an average, shortage of houses in our country is increasing at the rate of one million a year.

As one moves along the glittering facade of houses on the Marine Drive in Bombay or in the colonies that have come up after 1947 in Delhi, such as Jor Bagh, Golf Link and Diplomatic Enclave, one may be taken in by the superficial progress, but the inner, dark, reality

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[8] M. K. Gandhi, *Constructive Programme*.

[9] *Bhuvel: Socio Economic Survey of a Village*, pp. 93-95.

[10] Vakil, Lakdawala & Desai, *Economic Survey of Saurashtra*, pp. 573-84.

[11] *The National Herald*, New Delhi, 19th August, 1968.

presents itself in the chain of 'tin and rag' shantis, stalls, shops and cabins, with slushy and stinking lanes and bye-lanes, full of dirt and disease, with flies and mosquitoes hovering all around. It seems ironical that, even after about 17 years of planning, 'Chawls' of Bombay, the 'Bustees' of Calcutta, 'Katras' of Delhi, the 'Ahatas' of Kanpur, and the 'Cherries' of Madras, should be multiplying themselves. In Delhi, for instance, according to Study Group Findings 1967-68 (Government of India) there are, at present, one lakh shacks on public lands. The corresponding number in the year 1960, when the 'Shack Removal and Resettlement Scheme' was started, was 45,000. The objective of the scheme was to end the 'menace of shacks', within five years. Although about 30,000 families have been resettled, the number of squatters on public lands today is more than double of what it was at the time of commencement of the scheme. Let alone the solution of the problem, we have even failed to contain it.

It should be obvious that if the present programme and policy are not modified, the surge on the cities will go on, the competition for the housing space will become keener, the housing shortage will increase, the squatting will be difficult to check, and slums will continue to crop up like cancerous growth, notwithstanding the surgery that is performed on one or two units. Slums do not owe their origin to the shortage of housing alone; they emerge, continue, and even grow because of serious imbalances in the social and economic set-up, and unless these imbalances are corrected, nothing substantial or lasting is likely to be achieved.

HISTORICAL PERSPECTIVE AND SURVEY OF PUBLIC POLICIES

Before proceeding further, it will be useful to make a brief historical survey of the circumstances in which the problem of housing and slum clearance arose and the manner in which it was tackled in different countries.

In the Western countries, the problem of housing and slums came to the forefront after the Industrial Revolution. In Britain, with the rapid establishment of industrial units in the cities and simultaneous mechanization of agriculture, there was a sudden influx from the rural to the urban areas. Small country towns like Birmingham, Liverpool, Manchester and Sheffield expanded five to ten times. As the thinking of the economists was dominated by the concept of 'input-output ratio' and the state was wedded to the political philosophy of *laissez faire*, practically nothing was done to ameliorate the conditions of those who found themselves crowded in the areas, "where the

streets were narrow and muddy, and the air was impregnated with filthy odour, and drunken men and women wallowed in filth".[12] Against such miserable conditions and consequent eruption of epidemics, there were storms of protests from the social reformers, and the Government was forced to introduce various regulatory measures to improve sanitation. But these measures proved hopelessly inadequate. It was soon realized that proper housing facilities, with adequate subsidies from the State to fill the gap between the cost of houses and paying capacity of the poor classes, were necessary. The movement for subsidized houses received a further impetus after the First World War. Such an approach, however, could not cope with the magnitude of the problem, and ultimately proved a disappointment. A new policy of large-scale construction of houses by the public authorities for the benefit of the low and middle income groups has since been adopted though the private enterprise still plays a significant role, particularly for those who wish to build for themselves and can afford to pay the cost.

In pursuance of this policy, six million houses and flats were constructed by the public authorities during the period 1945 to 1967.[13] The extent to which the construction of houses by public authorities has been undertaken in the recent times can be judged from the fact that one family in three now lives in the 'post-war-dwelling', and out of total 18 million dwellings in Britain today, 25 per cent are owned by public authorities. The Government has set a target of 5 lakh dwellings a year by 1970—half in the public sector and half in the private sector. In the field of slum clearance, the State has also intervened in an equally effective manner. During the period 1950 to 1967, about 2 million people were re-housed under slum clearance programme. To help the owners to improve the conditions of old houses built before 1945, cash grant to the extent of half the cost of work is given. Under this scheme, more than one million grants were made between the period 1945 to March 1967.

Apart from the direct intervention by the State, various measures have been undertaken to promote housing activities. Research and development programmes have been organized to achieve higher productivity; and the State fiscal policies have been so designed as to encourage growth of institutions which provide loan assistance on easy terms. By 1967, the number of building societies which provide loan assistance to private builders had risen to 600. The financial

[12] Charles Dickens, *Oliver Twist*.

[13] The figures given in this and the following paragraph are from *Housing in Britain*, London, British Information Service, 1967.

mechanism to provide aid to private housing has been further liberalized by the Housing Subsidy Act, 1967.

The evolution of housing policy in other Western countries has broadly followed the British pattern. It has been accepted that large scale public financial aid to housing is absolutely necessary. In 1957, 'more than 90 per cent of the housing output in France, Ireland, Netherlands and Sweden received direct public financial aid'[14]. The corresponding percentage ranged from 65 to 85 per cent in Austria, Denmark, Norway and Spain.

In the U.S.A., housing programmes were not formulated until the depression of 1930's, and on the whole direct public construction has been kept to the minimum. Up to 1964, only 0·55 million houses[15] had been built for the low-income families by the municipal authorities with the Federal subsidies. However, various measures have been taken to encourage private construction. The Federal Housing Administration has played a significant role in guaranteeing private mortgage loan on house construction up to 90 per cent of the cost, and this has helped the middle class families to raise loans on easy terms and build houses for themselves.

In the sphere of slum clearance, considerable work has been done after the enactment of legislation concerning 'Urban Renewal Programme' in 1949. Under this programme, the cities can buy 'slum-sites', relocate the occupants, sell the cleared site to private developers who put up residential dwellings and commercial buildings which result in improvement of the area. The land is sold at discount, with the Federal Government bearing two-thirds to three-fourths of the loss and the cities the balance. Ultimately, the loss is recouped by the cities from the increased taxation of new buildings. It has been estimated by the 'Housing and Home Finance Agency' that before the Urban Renewal Legislation of 1949/50, about 20·5 million people lived in urban slums in U.S.A., and by 1960, that number had been reduced to 12·5 million.[16]

The policies and programmes of the U.S.S.R., in the field of slum-clearance and housing make a useful study. By central planning, by limiting space to be allocated, by economising in design, by standardization of building components, by organizing a powerful building

[14] Government of India, *Report of the Sub-Group on Housing*, Ministry of Works & Housing, 1965, p. 65.

[15] Charles Abrams, *op. cit.*

[16] David R. Hunter, *The Slums: Challenge and Response*, London, Free Press of Glencoe, 1964, p. 209.

industry, by developing the techniques of pre-fabrication, and by renovating and remodelling the old houses at State expenses, the U.S.S.R. has made tremendous progress towards the realization of its housing goals. According to a recent publication[17] of the U.S.S.R. Information Service, during the period 1958 to 1965, 84 million people got new flats, and on an average 6,000 families moved into new flats per day. In all, more than 70 million sq. meter living space was constructed every year of the last plan period. During the next plan (1966-70) it is proposed to augment the housing construction by another 30 per cent. It is hoped that the housing shortage in U.S.S.R. would disappear by 1970. Although this hope may not be fully realized, yet the fact remains that, notwithstanding the terrible damage[18] which the Russian towns and villages suffered during the War, remarkable progress has been made and the gap between the requirement and the supply has almost been bridged. It is not disputed that: "The U.S.S.R. had made great advances in prefabricated construction of apartment dwellings and has not only increased its housing investment in recent years but also attained a higher rate of new housing construction than any other country for which statistics are available; this rate has risen from 7 per 1,000 inhabitants in 1954 to 10·8 in 1957 and 14·4 in 1959."[19]

In India, the magnitude and complexity of the housing problem was realized even during British regime. When the Secretary of State for India, Edwin Montague, who was known for his liberal views, wrote to Lord Lyde, the then Governor of Bombay, to take measures to improve the housing conditions in the city, the latter examined the problem and was bewildered by its complexity. He wrote back to Edwin Montague in 1919—60 years ago—, "Housing is really a nightmare". Unfortunately, in India, it still continues to be so.

The efforts made before 1947 to solve the housing problem were extremely inadequate; only a small beginning had been made in the year 1898, when the Bombay Improvement Trust was set up. A few more similar Trusts were established in other cities, but they had hardly anything to show to their credit.

A humble beginning was made during the First Five Year Plan when two 'social housing' schemes—Subsidized Industrial Housing

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[17] *U.S.S.R. Housing Construction* - 1958 : 1965 : 1970, U.S.S.R. Information Service, New Delhi, 1968.

[18] It is estimated that 1,700 towns and about 10,000 villages were either destroyed or badly damaged during the Second World War.

[19] United Nations, *Report on the World Social Situation*, New York, p. 7.

and Low Income Group Housing—were enforced. In the Second Five Year Plan, the scope of the social housing schemes was widened and six more schemes—Plantation Labour Housing, Slum Clearance Village Housing, Land Acquisition and Development, Middle Income Group Housing and Rental Housing for Government Employees—were introduced. In the Third Five Year Plan, two more housing schemes—Dock Labour Housing and Experimental Housing—were added. Under these schemes, facilities of loans or subsidies, or both, are given, and the range of these schemes is such that it covers about 99 per cent of Indian urban families.[20]

Up to the end of the Third Five Year Plan period, 3,90,347[21] units had been constructed by taking advantage of the facilities mentioned above. Although some progress has been made, the number of houses constructed with the assistance of the State is like a few drops in the ocean.

The emerging nations of Asia, Africa and Latin America have not yet evolved housing policies suited to their soils. At present, there is a tendency to follow the models of ertswhile rulers or adopt the expensive schemes of affluent societies or to accept too readily the advice of the foreign experts who, in most cases, are unable to grasp the local realities. During the last 20 years or so, there has been little evidence of independent thinking or working on new lines. For instance, Ghana too readily accepted the advice of the foreign experts on pre-fabrication and the consequences were disastrous. Likewise, Nigeria formulated an ambitious slum clearance scheme—"Lagos-Sure-Leve Project"[22]—on the Western model and came to grievous results. The projects had to be abandoned halfway.

From the above survey, a few general conclusions emerge; housing has to be treated as a social problem of paramount importance; the State has to give active help to the low and middle income groups, either by way of direct construction or in the shape of loan and subsidy; and every country has to approach the problem in its own way.

SOME SPECIAL PROBLEMS

The problems of urbanization, housing and slums may appear on surface to be similar in the developed and developing nations, but there

[20] *Census of India* 1961 (*see* data about Income Distribution), *op. cit.*

[21] Report circulated by the Union Ministry of Works & Housing with Agenda papers for the Housing Ministry Conference held at Madras, Nov. 1967.

[22] This scheme intended to clear 75 acres of slum site in the centre of Lagos and re-develop it. The evictees were to be temporarily housed in Sure-Leve— a vacant area on the out-skirts of Lagos.

are basic differences in their resources and capacity to tackle these problems. The developed countries have adequate finances, and the competing demands for investment in agriculture, industry and power are not so pressing as in the case of under-developed countries. They have technical skill, organized industry, well-knit administrative machinery and, by and large, a higher form of political development. On the other hand, the under-developed countries have limited resources, little technical skill, unorganized machinery, a struggling administrative and political set-up which has yet to strike firm roots. It will, therefore, be a grave and tragic error for the under-developed countries to follow blindly the models of the West and not evolve their own policies and programmes, with due regard to their own resources and difficulties.

Lack of finances for housing is one of the serious difficulties with which the under-developed countries are faced. It has been estimated[23] that the under-developed countries require about 24 million dwellings annually throughout the decade 1960-70. "At the conventional cost level, such a building programme would consume investment resources of the nations in the three under-developed continents equal to 10 per cent of their gross national product, which in many cases would account for the total resources available in those countries".[24] For instance, in India, the total funds required to wipe out the housing shortage have been estimated at 30,000 crores—nearly one and a half times the size of the Fourth Plan.[25]

In the under-developed countries, whatever limited financial resources are available, are required for the more urgent needs of industry, agriculture and power and housing has perforce to be accorded a lower priority. In the context of acute housing shortage indicated earlier in this article, it may seem paradoxical that, in India, public investment in housing in the successive Five Year Plans should be in descending order. "In the First Plan, public investment in housing was 16 per cent of the total public sector investment, in the Second it was only 8 per cent, and in the Third only 7 per cent. The draft outline for the Fourth Five Year Plan brings this figure still lower to 5 per cent."[26]

The wide gap between the 'rent' and the 'paying capacity' of the people of the under-developed countries further accentuates the

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[23] United Nations, *Development Decade : Report of the Secretary General, op. cit.*
[24] *Ibid.*
[25] *The National Herald, op. cit.*
[26] *Ibid.*

problem. In India, for instance, the income[27] of about 50 per cent of the urban households is less than Rs. 100 per month, and only about 12 per cent of the households have income of more than Rs. 300 per month. It is only this 12 per cent of the population that can afford to pay the economic rent of a small dwelling costing about Rs. 5,000 to Rs. 6,000. For the remaining 88 per cent of the population, State subsidies are called for.

Another predicament of the under-developed countries, in the field of housing, is the relatively high cost of construction, in spite of the cheap labour. For instance, in India,[28] the average daily wage of a skilled building worker is only about 5 per cent of that his American counterpart earns. But the cost per sq. ft. of residential space is 40 to 50 per cent of that of a comparable housing unit in United States. Many factors contribute to the relatively high cost of housing, *e.g.*, costly material and a poorly organized construction industry. The organizational difficulties are further increased by the fluctuation in the supply of building materials. Sometimes bricks, sometimes cement and sometimes other essential material is not available.

A major disability from which the under-developed countries suffer is the 'civic deficiency' and absence of a courageous and imaginative administration which is eager for knowledge and insight and is capable of changing its ways. It will not help us to shut our eyes to this inconvenient reality and do not admit that many of our well-intentioned schemes have been frustrated by absence of executive vigour and civic enlightenment. In Delhi, for instance, as great a national leader as Pt. Jawaharlal Nehru took personal interest in the work of slum clearance. In spite of all the avowed and pious declarations made by various authorities and agencies, no substantial results, however, have been achieved. The same blight and squalor rule the 'katras', shacks, and hovels of Delhi as before. A start was made with the implementation of the 'Delhi Ajmeri Gate Slum Clearance Scheme' twenty years ago but not even one-tenth of the work has so far been done. Out of 100 'katras' of the walled city to be acquired, improved and rebuilt, only one (Dojana House) has so far been acquired and transit camp set up in Asaf Ali Road.[29] On the other hand, the irresponsible elements have encouraged unauthorized construction and allowed thousands of unauthorized strucutres to come up. It has been estimated that during the decade 1958-68,

[27] *Census of India* 1961, *op. cit.*
[28] *Report of Ford Foundation Team on Urban Housing*, *op. cit.*
[29] *The Statesman*, New Delhi, April 30, 1968.

more than one lakh unauthorised houses have been constructed. A few of them may be due to pressure of demand, a few due to the unsocial elements who are always eager to break the law, but over-whelming majority of them came into existence due to the direct encouragement they received from the irresponsible sections of the society. In the face of these facts, all our efforts to clear the slums must be reckoned as sheer mockery. If we cannot enforce our existing municipal rules and regulations, if we cannot enact laws suited to our conditions, if we cannot instil a sense of responsibility in our civic set up, if we cannot deal effectively with the vested interests, and if we cannot impart a sense of urgency and missionary zeal to our administrative structure, there is hardly any wisdom in formulating new schemes of slum clearance and slum improvements and raising hopes which are most likely to remain unfulfilled.

THE NEED FOR REORIENTATION OF POLICIES

In the preceding section, we have noted that we have special difficulties and problems. The mere size of our problem is staggering. We have not only urban but also village slums. The level of our income is very low, and our capacity to raise funds for housing is extremely limited. The developed urban land is scarce, and the building material and technical personnel are in short supply. These are the basic, underlying, facts. But are we fully conscious of them ? Are we directing our financial resources—whether secured from the public sector or private sector —into the channels where they are most needed? Are we not creating situations in which the talent and skill of our engineers and architects are misdirected ? Are we making the most economical use of our urban land and municipal services ? These are the pertinent questions which demand a clear answer. Instead of answering them directly, it would be better to let the facts to speak for themselves.

In the year 1961, on the basis of the principles indicated in the draft Master Plan for Delhi, a scheme, known as the scheme of 'large-scale acquisition, development and disposal of land in Delhi' was formulated. The essential feature of the scheme was to acquire all lands falling within the urbanizable limits with a view to eliminating speculation, creating valuable assets for the Government, and utilizing lands according to the 'uses' prescribed in the Plan. The scheme, to a large extent, has realized its objectives, but it is in regard to land distribution programme that mistakes have been made and the advantage derived from acquisition frittered away. So far, about 2,000 acres of valuable land has been handed over to the co-operative house

building societies and most of them have been allowed to carve out plots up to 2,000 sq. yds. The land has been given at fixed rate which, after development, comes to about Rs. 32 to Rs. 35 per sq. yd. though the average market rate[30] of developed plots in the colonies, where allotment has been made, ranges from Rs. 100 to Rs. 150 per sq. yd. Thus, land worth Rs. 100 to Rs. 150 per sq. yd. has been given at rates ranging from Rs. 30 to Rs. 35 per sq. yd., mostly to the class of people who deserve no State help direct or indirect. But what is more revealing is the pattern of investment which has followed. Having regard to the type of construction that it put up in Delhi and the maximum coverage allowed under the Municipal bye-laws, a house on a plot of 600 sq. yds. would cost about Rs 2 lakhs (including the cost of land). In the above referred 2,000 acres of land, although a very large number of plots of sizes 800, 1,200, 1,600 and 2,000 sq. yds. has been carved out, the average size of plot may be estimated as 600 sq. yds. and the total number of plots carved out as 10,000. The total financial investment involved in the construction of 10,000 plots would come to (2,00,000 $\times$ 10,000) Rs. 200 crores. From where have the financial resources of this magnitude come ? Obviously, they have come from the money market. Could not these resources be diverted to more fruitful channels by a well-considered State policy ?

The above example amply illustrates how we have not made the most rational and economical use of our urban lands, how we have allowed our financial resources to be misdirected, and how we have kept our engineers, planners and administrators busy with the problems of comparatively affluent class. These results, I believe have occurred not because the State policies had any such intention, but because of inadequate realization of our special problems and the tendency to follow the beaten track and avoid breaking new ground. I think, the under-developed countries should fully recognize the facts of their ubiquitous poverty and extremely limited resources. They should clearly understand that they have problem not of housing in the conventional sense, but of 'shelter'; not of comfortable or luxurious living, but of 'roof over the head'; not of having spacious colonies but of avoiding extreme congestion, and creating an atmosphere in which personality is not stiffled. If the needs and resources are put in proper perspective and the deeper implications of the problems are fully realized, there would be no escape from accepting a policy which aims at producing maximum number of 'shelter units' with minimum outlay stresses the need for simplicity and utility, and makes best use of our limited resources—financial, physical and technical.

[30] This is evident from the figures of sale in the open market in the neighbouring areas.

If the maximum number of 'shelter units' has to be constructed, luxury or costly housing must be banned or curtailed severely, and the resources thus saved diverted towards the construction of simple and utilitarian houses. It could be argued that the ban on luxury houses will be difficult to enforce, will result in increasing the price and rents of the existing structures, and will also divert some investment from the field of housing. These arguments cannot stand the test of closer scrutiny. It is not understood as to why it should be difficult to enforce the ban on luxury or costly houses. In fact, there are numerous complicated restrictions which the modern State imposes with reasonable success. In fact, ban on costly housing can be easily enforced by stipulating in the zoning and municipal regulations that no house of more than a particular size or cost will be sanctioned. No doubt, the ban may temporarily result in increasing prices and rents of the existing costly structures, but we should have little sympathy for the class of people which is willing to pay high costs or rent. As regards the argument that the ban on costly construction will divert investment from housing, it may be pointed out that such a diversion will not be harmful. In any case, the diversion is likely to be to industry or other sectors of development, and this, in turn, could enable the State to allocate more funds for housing from its own budget. Further, what is more significant to bear in mind in this regard is that the 'ban' will conserve available resources in the shape of building material and technical skill. Our building materials will not be wasted but used for utilitarian and simple housing. Like-wise, our planners, engineers and administrators will not be tied down to the task of planning and building costly housing units, and will have sufficient time to devote to the work of public housing and housing for the poor. Again, the ban on the luxury and costly housing will help in removing the present indifference and apathy in the mind of poor people and make them a more willing and enthusiastic partner in the task of nation building.

It is no longer seriously disputed that in times of scarcity, it is necessary to ration the essential articles. Food and clothing have been rationed on a number of occasions. If, in times of scarcity, food and clothing can be rationed, there is no reason why accommodation should also not be like-wise rationed and distributed on equitable and rational basis. Rationing no doubt gives rise to difficulties but such difficulties are common to all types of rationing and one should not hesitate in suggesting rationing of accommodation at least for the next 20 years or so.

The same considerations which are relevant to the ban on costly housing and rationing of accommodation apply to the fixation of

urban land ceilings. There is at present chronic shortage of urban land and the prices have been shooting up. For instance, in the Defence Colony (New Delhi), prices have gone up 10 times during the last decade (from Rs. 15 to Rs. 150 per sq. yd.). To relieve the shortage and to stabilize the land prices, it is necessary to restrict the size of the plot which an individual family can own. Further, as far as practicable, higher densities should be allowed and building plots should be carved out in such a manner that minimum land is used for lanes and community facilities. Group housing should be encouraged to conserve land resources and provide common open spaces and community facilities.

Apart from the need for taking basic policy decisions on the lines indicated above, it is necessary to examine how the objective of constructing simple and inexpensive 'units of shelter' could be realized in practice. This can be done by various means, such as economy in design of houses; proper layout of colonies; use of local material; standardization of building components; and building of 'core-housing' to provide the minimum living space, leaving scope for improvement in the future. The need to make best use of urban land is, to an extent, incompatible with the need for leaving scope for future improvement. However, the dilemma can be resolved, to some extent, by acquisition of land in advance, and setting up of 'core-housing-colonies' on the periphery or providing for subsequent expansion vertically.

What has been stated with regard to general housing policy is also valid for the policy and programme of slum clearance. According to a conservative estimate, the number of urban slum dwellings in India, which are totally unfit for human habitation, is 1·15 million[31] and in certain large cities, slum population comprises 60 per cent of the total population. In Calcutta alone, it was estimated at the time of the formulation of the Third Five Year Plan that there were about 1,89,000 families living in the 'Bustees', and rehousing of these families in tenements would cost Rs. 113·40 crores, at the average cost of Rs. 6,000 per tenement. "The maximum allocation for slum clearance in Third Five Year Plan of the State amounts to only Rs. 5·48 crores. With the financial resources of this limited quantity, it will take atleast 20 more plans to tackle the problem of this city alone." These observations made in the West Bengal for the Third Five Year Plan go to show that the old ideas of slum clearance and rehousing of the families will have to be abandoned and simple and economic ways

[31] Government of India, *Report of the Advisory Committee on Slum Clearance*. New Delhi, 1958. (If slums were to be judged by Western standards, the percentage would undoubtedly be higher.)

devised to tackle the problem. The Calcutta Metropolitan Planning Organization has in this regard adopted a realistic and correct approach. After intensive studies, it has recommended that, except for the central portion of the city where land costs are high and multi-storeyed construction will be desirable, improvement schemes alone should be undertaken in the 'Bustees'. It has been calculated[32] that, if the basic amenities are provided in the 'Bustees', such as storm water drainage, pavement, lighting, water supply, community water taps and baths (one water tap and two baths for every 100 persons), sanitary latrines (at a standard of 4 per 100 persons), per capita cost of improvement of 'Bustees' will be Rs. 187·00. With Rs. 7·5 crores, which could be made available within the next five years, the 'Bustees' covering a total population of 4 lakhs could be improved on the basis of the above standards. If, on the other hand, this amount of Rs. 7·5 crores were to be spent on clearance of 'Bustees' and rehabilitation of the occupants in new tenements, it could cover a population of only 60,000. Thus, it is clear that the choice before the under-developed countries is in favour of slum improvement for the benefit of the most, and not slum clearance for the benefit of a few. Even otherwise, it would be inadvisable to tackle a few areas of slums and leave major pockets untouched. What, therefore, needs to be done is to abandon the grandiose scheme of slum clearance and to concentrate on provision of fresh air, water, lighting, drainage, and community and cultural facilities. The 'Shacks Removal and Resettlement Scheme'[33] in Delhi broadly aims at this objective, but unfortunately, the desired results are not forthcoming in the absence of vigorous action and in the face of the marked inability of various authorities to enforce their rules and regulations. The wide gap between the scheme and its implementation makes all the difference.

Along with the improvement, it is necessary to ensure that the sanitary facilities provided are properly maintained. In this connection, it is significant to bear in mind that in India, the "slums are more than aggregate of the physical surroundings: they are also a way of life".[34] Here, the fundamental problem is not taking the people out of slums, but taking the slums out of the people. Unless the social habits of slum dwellers are improved, through a well-organized urban community programme, physical improvements are not likely to

[32] Calcutta Metropolitan Planning Organisation, *Bustee Improvement Programme*. Calcutta, 1967, pp. 16-19.

[33] This scheme is popularly known as "Jhuggi Jhonpri Removal Scheme". It aims at clearing the public lands, which are required for the purpose of development, and resettlement of the squatters in new colonies where only minimum civic amenities are provided.

[34] Marshall B. Clinard "Urban Community Development". *India's Urban Future*, Roy Turner (Ed.), Bombay, Oxford University Press, 1962, p. 72.

yield substantial results. Along with 'carrot', it is necessary to wield the stick to enforce the rules and regulations, so that those who encroach upon, or defile, the public lands, damage the public hydrants and latrines, and spread dirt and disease are properly dealt with under the law.

Whereas it is necessary to re-orient the programme and policies of housing and slum clearance and utilize available resources to the maximum extent, it is equally necessary that housing is accorded due priority and allocated larger funds than at present in the scheme of national planning. "The greatest impediment to housing in India has been the reluctance of Indian planners to accord housing a higher priority in national planning."[35] It has not been sufficiently realized that housing shortage and consequent slums are breeding grounds for criminals and delinquents and the society has to pay heavy price, both in terms of 'social costs' and in terms of expenditure to be incurred in enforcing law and order. Housing is not a dead weight, and its neglect gives rise to political and social stresses and strains in the nation and lowers its productivity. The importance of housing has, therefore, to be fully recognized by the Central and State Governments. At present, there is a tendency on the part of the State Governments to divert the funds earmarked for housing to other projects. If this trend continues, further imbalances are likely to occur in our national planning. It is also necessary that the present frame-work of administration at the State and local level should be thoroughly re-organized to make it a fit instrument for carrying out the policies and programmes of housing and slum clearance. Instead of leaving the problem to imbecile and faction-ridden local bodies or improvement trusts, special legislation should be enacted and high-powered Housing Boards, with adequate finances and personnel, be set up.

Apart from the need for provision of larger Government funds, it is necessary that the hidden wealth in the country is brought out and used for the purpose of house construction. It may be advantageous to float lotteries and bonds for the exclusive purpose of house construction. Moreover, the instinct of 'saving for a house' should be exploited. A person or family will save for housing, if not for anything else. Such a saving will not be at the expense of savings already available in the country. One scheme that may be worth trying is the "Life-Insurance-cum-Hire-Purchase Housing Scheme". The basic idea of this scheme is to force the beneficiary to get himself insured and link his insurance with the amount which the Life

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[35] *Report of Ford Foundation Team on Urban Housing, op. cit.*

Insurance Corporation may advance to the building authority. The scheme will not only help in large-scale construction of houses by the public authority but also enable the family of the borrower to get relief in the shape of a house, instead of money, in the event of the untimely death of the insured person. It will also give more business to the Life Insurance Corporation and thus make it a commercial proposition for it to advance loans to the building authority.

The under-developed countries could perhaps avoid unmanageable rush to the metropolitan cities. In the modern economy, it may be unrealistic to pursue a policy of 'sticking to the villages', but it is in the realm of possibility that the growth of small cities and towns should be encouraged by an intelligent policy of industrial location. In India, for instance, one of the salient features of urbanization, has been the growth of primate cities. In 1941, the number of cities with a population of more than one lakh was 49; in 1961, the corresponding number was 101. These cities alone account for 44 per cent of the urban population. It is, therefore, obvious that, if the decay of middle-sized towns is to be prevented and if the limited resources have to produce maximum social and economic benefits, concentrated metropolitan growth should be avoided and industries located in such a manner that 'middle-sized' towns are developed and interlinked with the villages in the hinterland. The 'spatial problems' of Indian planning need greater recognition. The 'middle-sized' towns, should be carefully selected, and the advantages of the 'Garden Cities'[36] should be combined with the social and economic advantages of sound policy of industrial location.

CONCLUSION

The problem of housing and slums is worrying all the countries of the world, but its enormous magnitude and bewildering complexity in the under-developed countries, like ours, makes the task of tackling it really herculean. There is, however, no cause for pessimism. All that is required is deeper understanding of the problem and devising of new ways and means to tackle it. We may learn from the experience of the West but dependence upon its models must be given up and the basic fact of our poverty fully grasped and given recognition in the formulation of our programmes and policies. I have no doubt that the twin challenges of urbanization and abysmal poverty could

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[36] Ebenezer Hard, *'Garden Cities of To-morrow'*. Hard was a pioneer of New Township Movement, which aimed at avoiding big metropolitan centres and setting up of small towns, where the advantages of rural and city living could be combined and the functional balance between the industry and the people struck.

be successfully met, if we plan according to our needs and situation and be not led away by what is being done in the affluent societies; if we exploit our resources to the maximum and distribute them on more equitable and rational basis; if we abandon costly schemes of housing and slum clearance and encourage our young architects and engineers to plan and build simple, yet beautiful, colonies; if we show greater courage to deal with the vested interests and impart a clearer sense of direction and purpose to our administrative set-up; and if we re-orient our national economic policies to correct the fundamental imbalances in our society and 'kill the microbes which produce the disease'. Not only that, we could as well give a lead to other under-developed countries in finding solutions, within their own resources and traditions.

PUBLIC HEALTH ADMINISTRATION IN URBAN AREAS

T. R. Tewari

DOXIADIS[1] presenting a paper under the title of "The Inhuman City" before an international Symposium on "Health of Mankind" held by the Ciba Foundation, observed that "it is in the city that one-third of mankind lives today and this proportion is increasing at such a rate that in the second half of the next century, three generations from now, more than 25 per cent of mankind will be living in cities". He went on to say "I do not know whether a recent statement by Dr. Rene Dubos that if these conditions continue '. . .eventually half the population would have to be doctors, nurses, or psychiatrists tending to the physical ailments and neuroses of the other half' is true, but I do not see any trend which might prove the opposite."

The growing problems of urbanization are thus exercising the minds of people all over the world. Beginning as a trickle with the Industrial Revolution in the West, the urban migration threatens to assume the proportions of a flood, with the passage of time. The recent technological advances have tended to add rather than to arrest the trend. This one-way traffic may, indeed, be said to have entered the second phase where having saturated the capacity for assimilation of the city, it is spilling over into suburban outgrowths. Conurbations are thus coming to be a feature of present-day urban life.

While the urban pressure in the Indian setting may at first sight not appear to be as heavy as in the industrialized societies, considering that as against one in three in North America, one in five in Europe and one in eight in the world as a whole, only one out of twelve Asians is a city dweller, Sovani[2] claims that Asia is comparatively over-urbanized in relation to its degree of economic development. In support of this, he cites the fact that only 30 per cent of the labour force in Asia is engaged in non-agricultural activities as against an average of 55 per cent in France, Germany, Canada and U.S.A. at comparable periods of urbanization levels in their development. The proportion of urban to the total population in India had risen from about 11 per cent in 1901 to over 17 per cent in 1951. The percentage of urban growth in the decades under comparison jumped from 2·4

[1] C. A. Doxiadis, *The Inhuman City*, Symposium on "Health of Mankind", Ciba Foundation, J & A Churchill, 1967.

[2] N. V. Sovani, *Urbanisation & Urban India*, Bombay, Asia Publishing House, 1966.

to 26·2, the rate of increase being of the order of 45·0 for cities with a population of 100,000 and above. Out of 2,700 urban towns listed in the 1961 Census, 45 per cent of the population is concentrated in 107 cities. The explosive growth of many of our metropolitan cities to twice or thrice their earlier size, in the course of last two decades, is too well known to need a mention.

In the course of technical discussions on "The Challenge to Public Health of Urbanization", in the twentieth World Health Assembly, it was recognized that "there is the possibility of gradual change in the biological, anthropological and psychological characteristics of man, but not to the tremendous and sudden extent demanded by the rapid changes produced by the current process of urbanization."[3] Before going on to consider the problems of public health administration in the urban areas in the context of this phenomenal growth, it will be pertinent, therefore, to review briefly the socio-economic implications of such large-scale urban migration. Chauhan, from his before and after studies of selected urban population, reported some significant findings.[4] While there was a fall in the percentage of people with primary education, this was balanced by an increase among those with junior high school, high school, college and professional education. The total literates increased from 20·5 per cent to 27·9 per cent. The average family size increased, the largest increases being in the higher income groups. The household income increased, however, in the case of 43 per cent families only, registering a decline in 41 per cent. The general standard of living recorded an upward trend in 15 per cent but fell for 64 per cent of the population. As against 20 per cent households reporting an increase, 55 per cent experienced decreased consumption of food items like milk, ghee, sugar and fruits. Only 7 per cent of his respondents felt assimilated into the new environment, 93 per cent having experienced some restriction or the other in cultural assimilation. The main factors accounting for frustration and emotional tension are given as boredom, isolation, intellectual starvation, nervous strain, unwholesome environment, strenuousness of work, fear in daily life, too much noise, etc.

HOUSING AND SANITARY FACILITIES

A survey carried out in Delhi showed:

	Per cent
Households with only 1 living room	66
,, ,, 2 ,, rooms	22·5

[3] World Health Organization, *Report of the Technical Discussions at the Twentieth World Health Assembly on "The Challenge to Public Health of Urbanisation"*, 1967.

[4] D. S. Chauhan, *Trends of Urbanisation in Agra*, Bombay, Allied Publishers, 1966.

	Per cent
Households without kitchens	62
,, ,, bathrooms	64
,, ,, independent water supply	42
,, ,, ,, latrines	40
,, with incomes between 100 and 200 Rs. p.m.	36
,, ,, ,, of less than Rs. 100 p.m.	40

V. K. R. V. Rao & Desai[5] found that average living space per person in Delhi comes to about 40 sq. ft. and only 30 per cent of the households had the three facilities of kitchen, bath and latrine in their dwellings. Population density ranges up to 1,50,000 per sq. mile in some of our bigger cities. The Environmental Hygiene Committee[6] reported that the overall availability of safe water supply is only for 6·3 per cent of the total population and sewerage facilities cover only 3 per cent.

While less than 50 per cent of the urban population is covered by water supply schemes, 75 per cent have still to be provided with sewerage facilities. Even where protected water supply is available, its quantum ranges generally from 12 to 25 gallons per head per day and sizable areas of towns and cities are not served by this utility. Out of an estimated urban population of 95 million, over 60 million have to make do with insanitary traditional privies. It is computed that domestic refuse accumulates at the rate of 10-15 hundredweights per 1,000 persons per day, but the disposal of garbage and night soil is still carried out in the majority of urban areas through primitive methods. Even where it is mechanised, financial, administrative and maintenance bottlenecks keep the performance far below par. Out of 551 trucks and tractors intended for the removal of garbage, for example, as many as 328 were laid off in Calcutta in May 1968.[7]

RESOURCES

"It is estimated that a local body must have at least an income of Rs. 30 to 40 per capita to be able to manage the municipal services at the minimum level. According to studies carried out by the Rural Urban Relationship Committee, only 15 per cent of the municipal authorities had an income exceeding Rs. 30 per capita in 1962-63.

[5] V. K. R. V. Rao and P. B. Desai, *Greater Delhi—A Study in Urbanisation* 1940-57, Bombay, Asia Publishing House, 1965.

[6] Government of India, *Report of Environmental Hygiene Committee*, Ministry of Health, October 1949.

[7] Commissioner Calcutta Corporation, *The Calcutta Municipal Gazette*, Vol. LXXVIII, May 18, 1968.

The majority of urban local authorities have a per capita income of less than Rs. 10 p.a. *50 per cent of the local authorities studied by the Committee were found to have spent as little as Re 1 per capita on public health services.*" In this connection, it is interesting to note that "out of 61 towns for which figures were collected by the Central Public Health Engineering Organization of the Ministry of Health, as many as 34 were reported to be running their water works at a loss."[8]

MORBIDITY

Seal[9] reported that out of a sample population of Government servants in Delhi studied in 1961, 86 per cent fell sick at one time or another during the year, 79 per cent receiving treatment at the C.H.S. dispensaries. In the case of over 64 per cent the duration of illness exceeded one month. This finding is corroborated by the survey carried out by V.K.R.V. Rao and Desai.[10] The latter brought out the following :

The average amount spent on treatment of illnesses came to around Rs. 80 per patient and about Rs. 75 per illness, ranging from Rs. 5 for 3·4 per cent of the patients to more than Rs. 500 for 6·3 per cent. The average annual expenditure on medical care was propo tionately "larger in the lower middle than in the poor class, it declines slightly for the middle but drops considerably in the upper middle. Those with nil income fare much worse than any other income group, suggesting in effect that the illnesses must have had something to do with regard to their non-earning status. As a proportion of income medical expenses accounted for 14·8 per cent for the households in the poor, 9·8 per cent for those in the lower middle, 6·5 per cent for those in the middle, 5·4 per cent for those in the upper middle and 2·8 per cent for those in the rich class." Expenditure on food constituted on an average 53 per cent of the household budget:

Agency providing treatment :

		Per cent
Government or Municipal Hospital	..	10·9
,, ,, Dispensary	..	10·7
Charitab'e and private hospitals and dispensaries	..	16·9
Private doctors	..	61·5

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[8] Satya Narain Sinha, *Speech at the Twelfth Meeting of the Central Council of Local Self Government*, Madras, December 1967.

[9] S.C. Seal, *Morbidity Survey of the C.H.S. Beneficiaries in Delhi*, 1961, New Delhi, Indian Council of Medical Research, 1968.

[10] V. K. R. V. Rao and P. B. Desai, *op. cit.*

This provides broadly a backdrop against which problems of urban development in general and health services in particular need to be viewed. It is obvious that there are serious shortcomings and deficiencies in many directions; that the gaps, if anything, are widening; that the attainment of any reasonable standard of health services in the urban areas is linked with the provision of many basic civic amenities; that the majority of the urban population depends on private sources for medical care; and that community health services far from being able to cater for more sophisticated needs fall short of the minimum requirements of basic sanitary facilities. By far and large, services, such as those for maternal and child health care, school health, dental care, food sanitation, health education, atmospheric and stream pollution, notification and isolation of communicable diseases, public health laboratories, slum clearance, pest control, and even vital statistics, are in a rudimentary form, where available. Recurrent epidemics of smallpox, cholera, etc., based on cities are evidences of this. While the scourge of malaria has been brought under control in the countryside, "urban malaria" is a manifestation of lack of necessary action on the part of corporations and municipalities. The population at risk to filariasis is believed to have risen to over 150 million against 25 million fifteen years ago. This is essentially a phenomenon of urban origin, drainage and sewerage not having kept pace with new water supply facilities.

The magnitude of the problems is indeed of staggering dimensions. For meeting the basic water supply needs alone, an outlay of more than the total investment on health in the three Five Year Plans would be barely sufficient to cover the urban population, as of today. With urban migration continuously accentuating the natural population increase, the prospects of being able to catch up with the growing needs appear problematical. It is not to be wondered, therefore, that these matters have been receiving anxious consideration from the highest policy-making to the peripheral executive levels. These have been the subjects of discussion time and again at the meetings of the Central Council of Health, the Central Council of Local Self Government, Conferences of the State Ministers of Town and Country Planning, and of Municipal Corporations, etc. New organizations and departments have been set up at the Central and State levels and many Committees have studied and reported on various problems. Evidence of any material impact on the situation may, however, be said to be lacking. A very comprehensive Model Public Health Bill was drafted many years ago. It attempted to enumerate, define, rationalize and fix responsibilities for public health measures at various levels, and as such laid the groundwork necessary for much-needed reform.

Unfortunately, even with the blessings of the Central Councils of Health and Local Self Government, it continues to remain a draft document. On the other hand, what is needed today, many times over, are plans of the gigantic dimensions like that of the Calcutta Metropolitan Organisation.[11]

It would not obviously be possible within the compass of a paper like this to do more than to draw attention to some areas of activity which call for a reorientation of approach. A greater civic consciousness among the citizens and a much larger measure of a sense of responsibility and responsiveness on the part of the citizens' representatives in the corporations and municipalities, is axiomatic for better local government. Resources on a scale many times those available at present will need to be raised in addition to the vigilant husbanding of what is in hand. A healthy atmosphere of mutual respect and consideration between the legislative and executive wings will need to be built up. It is as important for the executive to implement faithfully and diligently the policies of the corporate body as for the latter to leave the executive officers free to exercise their technical skills and judgement in the discharge of their duties. At the same time, the needs and problems of the local self governing institutions representing among them, as they do, almost one-fifth of the population of the country, deserve a closer consideration in the drawing up of national and state development plans, instead of their concurrence, willingness and ability to play their part being taken for granted. As mentioned earlier, a number of national health programmes failed to give the expected dividends on account of the urban pockets that have come up, due to this oversight. A continuous and understanding dialogue on development programmes, between the state government and the urban bodies, on a larger scale than in the past, is perhaps necessary. There has also been a tendency in recent years for the corporations and municipalities to break away from the state governments in the matter of staffing of the technical posts, which were earlier filled by deputation. Apart from reducing the necessary liaison between the two, this has necessarily resulted in a rather limited choice of health officers. This drawback is inherent in a set-up with comparatively small career prospects. One of the consequences of this is that many municipalities are reported to have found it necessary to employ health officers without proper training in public health.

Improvement in the standard of health services in the urban areas is linked indissolubly with a rise in the general level of administrative

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[11] C. M. P. O., *Basic Development Plan, Calcutta Metropolitan District*, 1966-86.

efficiency and standard of living. The necessary resources may not be forthcoming for some time and no millenium may be looked for overnight. In the meantime, with a view to husbanding the available resources to the best advantage, improved managerial and organizational skills can help improve matters. It is gratifying to note, therefore, that a step has been taken in this direction to organize training facilities for municipal administrators, under the auspices of the Indian Institute of Public Administration. Similar opportunities of training for the health staff of municipalities seem to be indicated.

Truly integrated development, apart from viewing the health needs in the context of overall social development in the urban areas, must necessarily have a wider compass. In the words of the late Shri V. T. Krishnamachri.[12] "It is obvious that plans of development of rural and urban areas cannot be prepared in isolation from one another. Plans of social and economic development of rural areas have to be linked up closely with those of adjoining urban areas. Such coordination has to be continuous. For example, production programmes in villages which are in proximity to towns have to be framed so as to meet the needs of the towns. Suitable markets and marketing centres linking up such areas have also to be planned after careful surveys, with connected roads and other facilities. Similarly, programmes of education, medical relief, water supply, extension of house sites, etc., for both areas have to be viewed as a whole in order to avoid overlapping and waste of effort."

[11] V. T. Krishnamachari, *Report on Indian & State Administrative Services and Problems of District Administration*, New Delhi, Planning Commission, 1962.

URBAN TRANSPORTATION IN INDIA

S. K. Roy

TRANSPORTATION has always played a vital role in the growth of cities and urban areas. In fact, forms and structure of cities through ages have largely been influenced by the transportation modes and facilities available at that time. In the early nineteenth century, population concentrated around the central business district. This growth then occurred within about two miles of the core because people would have to move only on foot. The frontier of the cities expanded to several more miles with the advent of horse carts. This was followed by the electric street cars which doubled the speed of movement and the city limits extended to much larger extent. With the advent of automobiles the world experienced the real urban 'explosion', because automobile could bring maximum mobility, with maximum individual freedom. In recent years there has occurred an incredible growth of motor vehicles all over the world. This development is most dramatic in U.S.A. where motor vehicles have increased by 10,000 times in the last 60 years. In India, the rate of growth of motor vehicles has been relatively much slower. In Calcutta, the number of motor vehicles increased by 200 times during the last 50 years.

The impact of population explosion in urban areas, however, is much more severe. The picture of urban growth or trend of urbanization in India is characterized by low percentage but at the same time very high density of urban population. According to 1961 census, about 18 per cent of total population of India was urban, whereas in U.S.A. this figure was more than 64 per cent. But the concentration of urban population here is alarmingly high. During the thirty year period (1931-61), the increase of total urban population was about 136 per cent, but the population of the big four metropolitan cities (Calcutta, Bombay, Delhi and Madras) increased by about 206 per cent.

Again, within a metropolitan city, the population and economic activities are concentrated in even much smaller areas. Metropolitan areas in India, therefore, are characterized by a wide imbalance of spatial distribution of population and a very high concentration of business, commercial and other activities in a very small core area.

In Calcutta Metropolitan District, for example, the density of population varies from 5 to 1,000 persons per acre. In Bombay, the density of population ranges from 6 to 1,762 persons per acre and in Delhi it ranges from 13 to 213.

The unplanned urban expansion, resulting in a congested concentration in the core and chaotic sprawl in suburbs, has created complex problems in all fields of civic amenities like, transportation, water supply, drainage housing, etc. The grossly inadequate and inefficient infra-structure has started to threaten the very existence of some of these areas. Transportation system has been overtaxed to a much larger extent because normally the demand for other civic amenities increases proportionately with the increase of population but the demand for transportation increases at a much faster rate in developing countries, as the effect of population increase gets compounded by the increased activities, thus creating a higher per capita need. The demand has far outbalanced the supply and thus the system has failed to provide a satisfactory service.

Though the situation of transportation in urban areas of India has been progressively deteriorating for the last two decades, it did not receive due attention for a long long time. The magnitude and importance of the problem was perhaps not fully appreciated because during all these years there has not emerged any definite plan and programme on all-India basis to face this big challenge of meeting urban transportation needs under our strained economic conditions.

Development action in transportation field has been mostly fragmental in approach and a comprehensive view of the total transportation problem was almost totally lacking. It is only when the situation of the big four metropolitan areas started very rapid deterioration, particularly the crisis in Calcutta threatened the very existence of great metropolis, that there appeared to be some sign of consciousness about the seriousness of the issue. Even now comprehensive planning for transportation is more of an idea to talk about than a process to practice.

The purpose of this article is to discuss the characteristics and problems of urban transportation in general, and describe the situation in major Indian cities in particular. A brief discussion of comprehensive transportation planning process is also given, which is then followed by a short description of the various elements of such a plan with particular reference to mass transportation facilities.

Urban Transportation Characteristics

Land Use and Trip Purpose

The need for transportation stems out of some sort of activity. Where there is no activity, there is no need for any transportation. As activities are concentrated in cities, the need for transportation is more pronounced there. Activities are diverse and complex in cities, so transportation demands are also diverse and complex. Activities again depend on the land use. Thus transportation is a function of land use. Complexity and diversity of land use, therefore, call for complicated transportation needs. The cities, particularly large metropolitan ones, are the places where there is an agglomeration of various types of activities—commercial, residential, industrial, business, governmental, educational, entertainment and recreational, political and strategic, banking, transportation mode, transhipment, etc., etc. It is, therefore, only natural that the trip purpose in urban transportation is of variety in nature and is fairly complicated.

Mode of Travel and Traffic Composition

Since the purpose of urban travel is diverse and as urban transportation involves a large number of people and goods of different types, the mode of travel embraces different types of vehicles and facilities. In Indian cities particularly, it includes a wide variety of facilities ranging from man-drawn rickshaws or animal-drawn tongas to high-speed commuter trains and large double-decker buses The inherited road system of the cities are utterly incapable of handling such a heterogeneous mixture of traffic The scope of segregation is also limited. As a result, the city streets today have become a strange battle field of cars and buses, handcarts and trucks, bicycles and tongas, trams and tempoes, bullockcarts and people with headloads, pedestrians and stray cattle, and what not—everyone fighting desperately in utter confusion for moving ahead. This non-homogeneous traffic mix has made the urban transportation in India a specially complex and difficult problem.

Traffic Flow Characteristics

Flow characteristics of traffic in Indian urban areas have certain special features The general tidal nature of the flow—heavy inward flow to central business districts in the morning and similar heavy outward flow in the evening however, is quite comparable to that in Western cities, but the peak is much less pronounced here. Peak

hour factor in Calcutta is 8 per cent of the average daily traffic whereas in U.S.A. the average value is 11 per cent.

Another important feature of the traffic flow in Indian cities is a much lower number of vehicles per hour than in comparable Western cities. The reason is lower car ownership and lower travel speed of vehicular traffic. But though city streets in India carry much less vehicles per hour, they serve much more number of people than in Western countries. Thus we have too many people for too few vehicles and too few roads resulting in the incredibly high congestion and crowding in public transit vehicles and roads.

Since individual car ownership is very low, the traffic stream usually is characterized by a dominance of transit vehicles even though the number of such vehicles is usually far too inadequate compared to the demand. The roads and streets are in general of relatively lower riding qualities, the geometric features, particularly channel system and intersection design, are of poorer standard and the standard of street lighting, signing and marking are also not inducive to smooth flow. The heterogeneous traffic mix and heavy pedestrian movement result in frequent, conflict, friction and interference with vehicular traffic. Traffic flow thus is not at all smooth and is extremely slow.

The majority of drivers in India are professionals with relatively low level of education. Driver discipline is, therefore, rather poor and driving is often very rough and hazardous. As a result of all this, the flow pattern—speed, spacing and headway characteristics, speed-flow-density relationships, weaving characteristics, lane distribution pattern almost all the operational features of traffic are different in India.

Transportation Problems in Indian Cities

ELEMENTS OF TRAFFIC PROBLEM

In recent years the world has witnessed a rapid growth of motor transportation in urban areas. The rapid development of automobile usage has introduced everywhere a new problem—the 'traffic problem. Besides the relatively indirect disadvantages of automobile usage like noise, fumes, smell and environmental losses, such as encroachment of space for roads, intersection into parks, destruction of architectural and historial scenes, clutter of signs, signals and other features seriously affecting the aesthetics, etc., there are certain direct disadvantages that have created in present years serious

frustration in the usage of automobile. The major elements are listed below.

Congestion and Delay

One of the major attractions of automobile is the high speed of travel. But it is seen that with the rapidly increasing growth of automobile travel, the travel speed in urban areas is gradually decreasing. The average speed of traffic in large cities of the world, as reported in Buchanan Report, is of the order of 11 m.p.h. The situation is very acute at certain trouble-spots and bottlenecks where traffic jam occurs almost daily. The loss of time and energy of the travelling public have resulted in great strain and frustration of citizen. Thus it is found that in urban area, automobile seems to lose one of its chief advantage—the speed. It is a paradox that through the potential speed of motorized vehicles is gradually growing up due to technological development, the actual running speed is decreasing gradually day by day.

Lack of Parking Place

Lack of adequate parking place is responsible for producing another frustration in automobile usage. An important advantage of motor vehicle is, as pointed earlier, the flexibility of movement. The automobile user would be satisfied only when he is able to park his car in front of the door steps. But this is becoming gradually more and more difficult. The parking situation in central city area is becoming more and more acute. Thus the flexibility of movement, the penetration ability of the car is being lost gradually.

Accident

One of the associated evils of this automobile age is the road accident. In U.S.A., in 1965, there were 49,000 deaths owing to motor accidents. In Calcutta, each year about 280 people die owing to road accidents. Besides these fatal accidents a number of accidents, leading to injuries and damage to person and property, occur every year all over the world. In Britain, in 1961, the cost of road accidents was estimated to be 230 million pounds.

Lack of Pedestrian Facilities

Pedestrian is usually a 'forgotten' element of traffic. But in urban areas, particularly in India, pedestrian traffic is a very important

element. The negligence in effective handling of pedestrian traffic in the age of motorized travel is reflected in the fact that about 80 per cent of fatal accidents in Calcutta occur to the pedestrians.

Lack of Mass Transportation

Car ownership is very low and is not likely to go up very much in recent years. Motor transportation under such circumstances cannot provide adequate facility for mass transportation in metropolitan areas. Rapid transit system is an essential requirement.

PROBLEM IN INDIAN CITIES

The concentration of population and activities in relatively small areas, as mentioned before, is responsible for creating a transportation disorder in almost all the cities in India. Basically the nature of the problem is similar in cities of identical size. In the big four metropolitan cities all the different elements of traffic problem, as enumerated above, are present in various degree. A brief discussion of the traffic problem in big three cities is given in the following paragraphs.

Calcutta

Calcutta is a city of the first magnitude, a true metropolis. There are few urban concentrations in the world which are more populous, none that are more closely packed at the city's heart or more extensive in their range of urban influence. It is the true capital not only of the State of West Bengal, but of all eastern India, the dominant urban centre of an area which includes the states and territories of West Bengal, Orissa, Bihar, Assam, Manipur, Tripura, Nagaland and NEFA and the eastern districts of Uttar Pradesh which now have a total population of well over 150 million.

The Calcutta Metropolitan District (CMD) includes the *conurbation* formed around the cities and towns which have grown together in one linear and continuous pattern of urban development along both banks of the River Hooghly. This giant metropolis has a population of more than 6·7 million, according to 1961 report, and an area of 490 square miles. The national significance of the CMD may be judged from the fact that the Port of Calcutta clears, according to 1964 figures, 42 per cent of India's export and receives 25 per cent of India's imports (by tonnage)—CMD contributes to about one-third of the total income tax collected in India; CMD contains India's greatest single

concentration of productivity capacity, accounting for approximately 15 per cent of all India's manufacturers; it handles approximately 30 per cent of value of India's bank clearance; institutions in CMD educate approximately 13 per cent of all students in India pursuing higher education. Transportation problem, that CMD is facing to day, has been the result of these huge activities at the State, regional and national levels.

Large growth that has occurred in Calcutta has severely affected the transportation services. The impact due to population growth alone has been compounded by the increased rates of usage for both public and private transportation. During the period 1956-64, there has been 52 per cent increase in registered goods vehicles and 43 per cent increase in private cars. Bus passengers have increased by about 115 per cent from 1957-61 and the number of suburban rail passengers terminating at Howrah and Sealdah Stations increased 128 per cent from 1953-63. But very insignificant efforts have been made to date to deal with this problem effectively. During the first three Five Year Plan periods, less than 5 miles of major new arterial roadway were open to traffic. The streets are mostly inadequate in terms of width and alignment. Only 6·2 per cent of the urbanized area in CMD is devoted to streets. As a result of all these, traffic problem has gradually become more and more acute and the present situation is very depressing.

The seriousness of the problem is revealed in the acute traffic congestion and delay that occur daily on the metropolitan roads. At some of the congested areas in Calcutta, the travel speed goes down as low as 5 m.p.h.

The problem of transportation is also reflected in the high accident rate. More than about 250 people die each year in Calcutta due to road accident. The accident rate in Calcutta is very high compared with other metropolises of the world.

Lack of parking space is another aspect of serious transportation problem in Calcutta. This problem is becoming more and more acute and adversely affecting the quality of traffic flow. It is estimated that by 1976, there would be need for 4,000 additional off-street parking facilities in central area alone.

The pedestrian facilities are also utterly inadequate. This adversely affects the quality of traffic flow as the pedestrians occupy a part of the roadway for their movement. It is, therefore, not

astonishing that about 80 per cent of the total people killed in road accidents are pedestrians.

The worst element of transportation problem in Calcutta perhaps is the lack of adequate mass transportation facilities. The bus and tram system serve nearly 1,00,00,00,000 passengers annually under conditions of acute unpleasentness. The gross overcrowding is very common. The loading become so excessive in peak hour that the seating capacity is exceeded by more than 300 per cent. This overcrowding puts severe strain on vehicles and the life of the vehicle becomes very limited.

Bombay

Bombay, the Gateway of India from the west, is one of the largest ports in Asia. Bombay Metropolitan Region includes the whole of Greater Bombay, Thana, Kalyan, Bhivandia and Bassein Taluks of Thana district and urban Taluka and portions of Panvel, Karjat and Khalapur Taluks of Kolabu district. This great metropolitan region has a population of 5·28 million and covers an area of about 1,500 square miles.

The rise in population and rapid industrialization have created an increasing trend in vehicle ownership. During the period of 1955-66, private cars have increased by over 225 per cent and all registered motor vehicles by more than 260 per cent. But the growth of roads and streets could not keep pace with the growth of traffic. Only 10·64 per cent of the total area is assigned to transportation uses.

Bombay perhaps is the most advanced city in India from traffic operation point of view. But even then the travel speed in some important streets in the city is less than 10 m.p.h. The rate of road accidents is very high in Bombay, particularly fatal accidents. More than 500 people die in one year due to road accidents. In Bombay, adequate off-street parking facilities are not available. But the situation of on-street parking is much better than that in Calcutta. The mass transportation needs of the city are catered for by the two suburban surface railways and buses. During 1955-65 there has been a growth of 108 per cent in the number of bus passengers. The growth of suburban railway passengers during this period is 112 per cent for Central railway and 89 per cent for Western railway. The total annual volume of transit passengers in buses and trains amounts to more than 3·6 million.

Delhi

The city of Delhi, that has grown up through ages around the

Area that now covers an area of about 2,000 sq. miles. The total population of Union Territory of Delhi is 2·66 million according to 1961 census. There has been a tremendous increase in the number of motor vehicles during the last two decades—the rate of average increase per annum being 38·4 per cent. The traffic situation in Delhi has been specially complicated by the presence of a huge number of bicycles—5,25,000 in 1966. According to 1957 survey, about 7 out of 10 vehicles plying on Delhi roads were bicycles. Besides, there are a huge number of slow-moving vehicles, mostly horse-drawn 'tongas'. Traffic operation on most roads is extremely poor, the flow is chaotic and accidents are frequent. More than 330 people die every year owing to road accidents. Parking and terminal facilities are much below the demand. Mass transportation problem is extremely acute in Delhi. Buses are the only facilities available for intra-city movement. The presence of a large number of cyclists is due to the poor mass transportation services. Mass transportation in Delhi, particularly during the peak hours, needs a great deal of improvement.

COMPREHENSIVE TRANSPORTATION PLANNING

OBJECTIVE

The principal objective of comprehensive transportation planning in large urban areas is to develop a practical plan for a complete network system for future transportation on an area-wise basis. The plan will point out the specific need for developing new facilities and for effecting improvement to the existing facilities. These recommendations are to be phased out on a long-term basis in keeping with total urban growth. The plan should be economical in totality and guarantee an accepted level of service.

THE APPROACH

Transportation is the most important plank of the infra-structure for the growth of urban areas. An efficient, safe and economical transportation system is a basic requirement for maintaining a viable urban structure. *The relationship of transportation to overall urban structure* suggests that transportation planning should be a fully integrated element of the overall planning effort. For example, land-use plan should serve as a base for all transportation plans; on the other hand, land-use plan must reflect the anticipated transportation development. In fact, transportation plan and land-use plan should be woven together as a single piece of fabric.

DEMAND-SUPPLY CONCEPT

Roads and streets systems are not just devices to permit movement —these should be considered as productive facilities, producing transportation. The efficiency of these facilities depends upon the quality and quantity of transportation they produce. The most important aspect of any planning activity is to assess the need or demand for the facility concerned. In case of transportation facility such demand is quantified in terms of number of trips generated, at present and future. Thus one of the important aspects of transportation planning is to estimate the trip generation. This indicates the "demand". Then comes the question of planning the facilities to meet this demand. If the demand is greater than supply, there would be congestion in transportation facilities. If, however, the supply is more than the demand, the facilities would be uneconomic.

Another interesting feature in this demand-supply analysis is the variation of demand. In urban areas the demand for transportation is most acute during peak hours. If the supply has to be maintained to such a level that the peak demand is catered for very satisfactorily, it follows that during off-peak period there would be considerable amount of unutilized reserve capacity. This is uneconomic. On the other hand, supply level should not be low enough to cause unbearable congestion during peak hour. To achieve a balance, it is necessary to establish certain minimum standard of acceptable service level which should govern the supply quantity during peak hours. This standard of minimum acceptable level of service condition, however, vary from country to country, depending on the resource situation, desires and expectations of the users and many other factors. For effective and realistic planning it is necessary to assess the desirable service level standards for various components of the transportation facilities. Only then a practical plan for providing such facilities may be developed.

THE PLANNING PROCESS

Comprehensive transportation planning process has many distinct but closely interrelated phases. Broadly they may be grouped into the following main phases :

(*a*) Inventorying of Existing Conditions,

(*b*) Estimating of Future Urban Area Growth,

(*c*) Estimating of Future Travel, and

(*d*) Plan Development and Phasing of Work Based on Fiscal Planning.

Inventorying of Existing Conditions

The first step of any planning activity is to collect information to assess and evaluate the existing situation. The main items to be studied are : (*a*) Land Use, (*b*) Population, (*c*) Vehicle Ownership, (*d*) Economic Activity, (*e*) Available Transport Facilities, (*g*) Travel Data, (*g*) Financial Conditions, and (*h*) Trip Generation.

In the study process the entire area is sub-divided into a number of zones in such a way that the majority of trips can be intercepted. The zones should have a homogeneous land use and socio-economic characteristics. The purpose of collecting information of different items as listed above is to provide sufficient background for assessing the future need and pattern of transportation activities.

It has been observed through numerous studies all over the world that there is an order in human travel behaviour, which can be measured and described. The quantity and type of travel generation in any given urban area are a function of the number of area residents and the availability of attractive opportunities within a reasonable distance. It is possible to establish a quantitative relationship between the pattern and magnitude of travel and the travel-motivating factors in urban environment. There may be a large number of factors having some relationship with travel generation. But in practice only those factors should be considered which have closest correlation with travel, can be fairly accurately *quantified* for the existing situation and can reasonably be projected to design year. The planning factors considered in the transportation planning studies in Calcutta Metropolitan District include average off-peak driving time from CBD to the zones, population, number of employment, density of population, vehicle ownership, number of hotels, entertainment places, etc. In the process of quantification of trip-generation characteristics, first, correlation co-efficients are computed between all possible pairs of variables to find out those variables, which are independent or interacting. These variables are then jointly analysed to produce a multiple linear-regression equation of the following form :

$$T = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + \ldots \text{etc.}$$

where T = Trip per person (or vehicle) per day

a = intercept on T-axis,

b_1, b_2, etc. = multiple regression coefficient of trip per person (or vehicle) and different factors, and

x_1, x_2, etc = different factors.

In Calcutta Metropolitan Planning Organization IBM 7094 Computer was utilized for working out the co-efficients.

Estimating of Future Urban Area Growth

Transportation plan for an urban area must recognize the future urban growth, otherwise the improvements would soon become outdated. The transportation system should, therefore, be properly related to and matched with future urban area growth. To assess the magnitude and pattern of future urban area growth, it is necessary to estimate population growth, growth of future economic activity, growth of vehicle ownership and future land use. A preliminary plan of future transportation network then has to be prepared. This network would be used for estimating future interzonal transfers and assignment of traffic. The network would be further modified and refined in the process of traffic assignment.

Estimating of Future Travel

In this phase of planning process, estimates are made for future trip generation, future modal split and future interzonal transfers and then assignment of traffic is done on complete future transportation network.

(1) *Future Trip Generation*—The estimate for future zonal trip generation is made by using the previously derived correlation co-efficients with the new input data for future socio-economic and physical variables.

(2) *Future Modal Split*—Estimate for future modal split would indicate the proportion in which the travel would be distributed over various modes, private cars, transit vehicles, etc. An accurate method of determining the future modal split is not known yet. The current practice is to estimate this on the basis of past trend.

(3) *Future Interzonal Transfers*—The future trips generated in a zone are to be distributed to other zones. Various mathematical methods have been developed for this purpose. Conceptually, these methods may be divided under two groups :

(*a*) Analogy Patterns—projection in which growth factors are applied to current interzonal movements. Different methods under the group are : (*i*) Uniform Factor Method, (*ii*) Average Factor Method, (*iii*) Detroit Method, and (*iv*) Fratar Method.

(*b*) Synthetic Pattern—projection in which travel characteristics are derived from current O-D data and applied to future land-use estimates to synthesize travel pattern. Various mathematical models have been developed for the purpose : (*i*) Gravity Model, (*ii*) Interactance Model, (*iii*) Intervening Opportunity Model, and (*iv*) Competing-Opportunity Model.

It is beyond the scope of this paper to discuss these methods in details.

(4) *Assignment of Traffic to Future Network*—The end product of the planning process is the development of a future transportation network. This network should be developed to obtain maximum economy and should possess adequate capacity. This is checked through traffic assignment procedure. There are various techniques of traffic assignment but it is beyond the scope of this paper to discuss them.

Plan Development, Phasing, etc.

The next step to the development of a transportation network is the development of a complete plan to cover all aspects of transportation. Priority has then to be assigned to different components depending upon financial conditions, technical and administrative strength, etc. In Indian cities it would be advisable to work out a phased programme synchronized with Five Year Plans.

ELEMENTS OF COMPREHENSIVE TRANSPORTATION PLAN

After describing the planning process in above paragraphs, it may now be interesting to discuss the end product of the process—the plan, in general. Indian experience of comprehensive planning efforts in transportation, however, is extremely limited. A transportation study was completed for the city of Bombay in 1962, and earlier transportation studies and proposals were completed as a part of Delhi Master Plan. The scope of these studies was limited. The Traffic and Transportation Plan for Calcutta Metropolitan District published in 1966, however, is the first case in India where a comprehensive transportation plan had been developed as a coordinated system of the Basic Development Plan which provides the overall plan framework. The principal elements of this plan are

listed below :

Major Street and Highway Plan

One of the most important elements of transportation plan is a recommendation for the development of road and street system of the area. Three aspects of development should be considered : (*i*) Improvement of Traffic operation by sound traffic engineering treatment, (*ii*) Redevelopment of existing facilities, and lastly (*iii*) Construction of new streets and highways. In Calcutta, it is estimated that the street capacity can be increased by 25 to 30 per cent by effective application of sound traffic engineering techniques, such as channelization, signalization, signing and marking, etc. The first step of any street and highway plan should be to make use of the unutilized reserve capacity of existing roads system. Next in order of application are physical redevelopment programmes for existing facilities. In some cases, substantial improvement may be realized through increasing the width or improving the cross-section of the existing roadway. The third level of improvement is the construction of new streets and highways. New roadway facilities are required for providing additional capacity in corridors where further improvement in existing roadways is not feasible and also for providing access to new development areas.

Traffic Engineering and Area Improvement Plans

The basic objective of traffic engineering is the development and implementation of plans to provide safe, convenient and economic transportation of persons and goods. In an urban transportation plan, due emphasis should be given to the traffic engineering plans and schemes for improvement of traffic circulation in problem areas because only through such actions, existing facilities may be utilized to the maximum extent. This is particularly true for India, because we should not plan to invest on new costly development, unless all possibilities for improving the existing situation through relatively inexpensive schemes are explored.

Parking Plan

Parking plan is a principal element of urban transportation plan. The parking problem is particularly very acute in central area. A comprehensive parking programme should be indicated in transportation plan so that further deterioration of traffic flow is arrested and the street system may be utilized to maximum extent. A parking plan should indicate the present and future situation—surplus and deficiency of spaces—and include recommendation for controlling and regulating on-street parking and developing off-street facilities.

Mass Transportation Plan

The most important element of transportation in Indian cities is perhaps the mass transportation. A realistic plan to meet the present and future demand for mass transportation should be one of the essential components of a comprehensive transportation plan. In view of the importance of the issue, this is discussed in more details in the subsequent section.

Major Terminal Facilities

An efficient overall transportation system depends much upon adequate terminal facilities for all modes of persons and goods movement. Plan should include proposals for terminals for goods—railway goodsyards and truck terminals—and also for passenger terminals, bus terminals, railway stations, air terminal, etc.

Transportation Administration and Policy

Transportation, as mentioned earlier, has become a great problem today. To meet this challenge a sound transportation plan is needed. Implementation of transportation plan would require a highly efficient administrative machinery and an organized and coordinated action on basic policies. Transportation functions at present, however, are being handled by several agencies. This has resulted in a diffusion of control and scattering of responsibilities. In order to bring a coordinated and efficient action, the various aspects of transportation functions should be consolidated in a Metropolitan Traffic and Transportation Authority. Moreover, many fundamental policy changes may be necessary. This may include policy of regulation of slow-moving vehicles, means to protect right-of-way, urban land policies as regards cost and acquisition, etc. A comprehensive transportation plan should include recommendation for such administration and policy reforms and should also suggest ways and means for plan revisions, planning coordination, traffic education, and traffic enforcement programmes.

Mass Transportation

PLANNING OBJECTIVES

Mass transportation system of any large metropolitan area should recognize the two important fundamental requirements : (*a*) There should be efficient means of bringing people from satellite townships

and neighbourhood areas within a reasonable distance to the city centre, and (*b*) There should be adequate efficient system for intra-city communication for movement and circulation within the city

BASIC APPROACH TO SOLUTION

Basic approach to the solution of the mass transportation problem (for external or for intra-city Communication) would be at two levels : (*a*) Improvement of the existing situation; and (*b*) Development of alternative system, if necessary.

Improvement of Existing Facilities

The existing facilities of mass transportation in Indian cities consist mainly of railway for suburban passengers and buses for intra-city transit with the only exception of Calcutta where both buses and trams are serving intra-city passengers. The existing situation of these facilities is very depressing in general. There is an acute congestion almost everywhere. The buses in Calcutta are overcrowded to the extent of more than 300 per cent over sitting capacity. But even with such overloading the public transport organizations (CSTC, BEST, DTU) are running at a loss. The reason is relatively low-fare structure and inefficient operation. The operating expenditure is very high—mainly because of overstaffing and inefficient and inadequate maintenance. It becomes extremely difficult for these transport organizations to add to their fleet out of their own fund. Government subsidy is necessary. As a result, the number of buses is far too inadequate compared to the demand. The first step for improvement of existing situation is to increase the number of buses. The operational efficiency should be increased and routes should be planned rationally. But even with improvements, surface transportation cannot eventually handle the huge volume of transit passengers in large cities. There would be a need for alternative grade-separated rapid transit system. In Calcutta, it has been established cleary by transit passenger studies that such a rapid transit system is needed immediately on a number of corridors.

Feasibility of Rapid Transit System in Indian Cities

From demand aspects, rapid transit facilities are long overdue in large cities in India. It is necessary now to examine deeply the feasibility of having such services in near future. The feasibility question should be examined from two angles : engineering, and financial. Engineering feasibility study should examine the various

forms of rapid transit system and select the most suitable one for a particular city. It may be interesting to discuss here the different basic forms of grade-separated systems :

(1) *Underground Railway*

(*a*) Deep Tube

(*b*) Shallow Subway (cut and cover)

(2) *Elevated Railway*

(*a*) Double Track

(*b*) Monorail

(*i*) Supported

(*ii*) Suspended

Underground railway has been adopted in many big cities like Paris, New York, Chicago, Tokyo, Berlin, London, etc. Underground railway may be constructed at a very deep level below the sewers and other utilities. This would involve tunnel construction. Alternatively, it may be constructed by cut and ever-method which would involve open excavation. Any deep-seated utility would have to be diverted.

Construction of elevated railway is comparatively easier. The civil engineering part of the construction would be more or less same for double track and monorails. Monorails, however, need not be discussed as the passenger carrying capacity is low, flexibility is limited, switching is difficult and operation requires special structure and specialized action. Although a type of monorail has been in operation in a German city for more than 50 years, its use has been, so far, mostly experimental or for some fascinating purpose like that in Disney Land, Seattle World Fair or in Tokyo, connecting city centre to airport, etc. Experience with modern monorail system operating for mass transportation in large busy city is practically non-existent. So monorail is not recommended for India and has not been considered for detailed discussion.

Elevated Vs. Underground System

Elevated and underground systems have almost similar operating characteristics and if similar coaches are used the passenger carrying capacity would be same. But since the structure in one case is built

above the surface and in other case is hidden underside there remain a great deal of difference in many factors. The relative merits of the two systems are summed up below :

Advantages of underground system

(*a*) The whole system remains hidden so this does not affect aesthetics.

(*b*) There is no problem regarding noise.

(*c*) This does not encroach upon the roadway in the least. Thus the surface transportation remains unrestricted.

(*d*) This does not stand in the way of future redevelopment of surface transportation which may consist of building fly-overs, pedestrian over-bridge, etc.

(*e*) The availability of enough space for stations, terminus, etc., does not pose a big problem as these are located underground.

(*f*) This does not affect the privacy of the roadside buildings, and creates no disturbance to the people living alongside the alignment.

(*g*) Since noise and vibration is not a problem, large conventional coaches may be operated.

Advantages of elevated system

(*a*) This is much cheaper than the underground system in initial construction.

(*b*) Maintenance is much cheaper since there is no need for lighting, ventilation and drainage arrangements.

(*c*) Drainage in underground system is a very big problem. Apart from the cost of installation and maintenance it would involve many other difficulties.

(*d*) It would not interfere with the sewers. In case of subway with open-cut-construction method, the sewers need to be relocated. Sewers may be avoided if the subway is built under the sewer by constructing deep tunnels.

(*e*) It does not provide any facility for the pavement dwellers to cluster for night shelter as they may do in case of subway.

(*f*) It gives a psychological relief due to "openness".

So far as engineering feasibility is concerned it is not very difficult to take a decision. But the financial implications are quite serious. Any form of grade-separated rapid transit system would require a huge capital investment. It is extremely doubtful if such huge investment would be possible in the near future. Secondly, the fare structure. If a rapid transit system has to be a self-financing project the fare would be abnormally high. This cannot be borne by the people. Government subsidy is necessary. Even in surface transit there is now a need for subsidy. Can the Government, with its strained economic situation, go on subsidizing transport indefinitely? It is necessary to examine this question first, before jumping to any conclusion of building rapid transit system anywhere in the country.

CONCLUSION

Urban transportation problem is not essentially a recent problem. In modern age the problem has only assumed a new look. The technique of preparing comprehensive transportation plan to meet this problem, however, has not developed so much in India. Only a beginning has been made. Much of the knowledge and experience at present, therefore, are to be borrowed from Western countries. But since traffic is vitally related to the people and their socio-economic background and plans are so much influenced by physical and financial restrictions, sound transportation plan should always be considered in the perspective of the particular situation of the country. There may be different approaches to the similar problem in different countries. Mass transportation problem, for example, in U.S.A. cities and Indian cities would require clearly different remedies as the car ownership, economic level of people and government are entirely different for the two countries. What then should be the best form of mass transportation consistent with our economic condition?

The problem of central area parking may be taken as another example. In Los Angeles two-thirds of central business district is used for roads and parking spaces. It would be highly unrealistic to plan for any such massive redevelopment work here in India. Besides, it would be extremely difficult to make any multi-storeyed parking garage scheme a popular one, because to make it self-financing the fee for full day parking would amount to about Rs. 5 to 6 per space per day. It may prove more advantageous to keep a driver, who would take the car away after dropping the owner to office. Thus at present it would be unrealistic to try to solve parking problem by building parking structures. What then should be the remedy?

These are some of the problems for which we are yet to find satisfactory solutions. An urban transportation expert today should not be a mere technician only for designing signals, and signs, building flyovers and parking structures; in him we now look for a specialist to discover and define the total urban transportation problem in relation to overall urban growth and then to develop a realistic plan consistent with our financial and other limitations for achieving a transportation system safer, quicker and more efficient than ever before.

"We have got rather into the habit of thinking of democracy at the top and not so much below. Democracy at the top will not be a success unless it is built on this foundation from below."

—JAWAHARLAL NEHRU

EDUCATIONAL ADMINISTRATION IN URBAN AREAS

J. P. Naik

NOT all urban local authorities in India are entrusted with responsibilities for education. We have two distinct traditions in respect of the association of local authorities—whether urban or rural—with education. The first, initiated by Lord Rippon, began in the erstwhile British Indian provinces. It made primary education the obligatory responsibility of all municipal authorities and enabled them to undertake, in their discretion, other educational responsibilities as well. Consequently, several municipalities in the areas of the erstwhile British Indian provinces are now responsible for establishment and maintenance of primary schools and some of them also conduct adult education programmes, secondary schools, colleges, libraries and museums. On the other hand, the erstwhile princely States did not generally entrust local authorities with any educational responsibility so that the municipalities in their areas, in spite of their wealth and capacity, are hardly doing anything for education. The existing position, therefore, presents a marked contrast. Municipalities in some States like U.P., Bihar or Madras contribute a good deal to the maintenance of primary schools in their areas and have undertaken several other educational responsibilities upon themselves. On the other hand, municipalities in States like Rajasthan or Madhya Pradesh or Kerala have hardly undertaken any educational activity. Sometime, the position varies from region to region even within a State. In Maharashtra, for instance, the municipalities in Western Maharashtra region and Vidarbha, which formed part of the erstwhile British Indian provinces of Bombay and C.P., undertake extensive educational responsibilities. But they do not do so in the Marathwada region which was formerly included in the erstwhile princely State of Hyderabad.

The first problem which needs discussion in this context, therefore, refers to the desirability or otherwise of the association of urban local authorities with the administration of education in their areas. The arguments in favour of such association are strong and convincing. The urban areas in which talent and wealth are being concentrated more and more have to play their legitimate role in the promotion of education and their close association with the

administration of education in their areas helps to accelerate development and tap new sources for educational support. The experience of such association, which is now about a century old, has on the whole been good and certain deficiencies it has shown in some areas are neither serious nor insurmountable. All this creates a good case in favour of entrusting all urban local authorities with some responsibilities for education.

The proposal is sometimes opposed by two groups. The first is that of the urban people and the municipalities themselves. They do not like to tax themselves and as government now provides them with all the schools they need—these are even better than those in rural areas—without being required to make any special local contribution, they naturally refuse to be coaxed into buying some power at the cost of shouldering a large and increasing financial burden. The second group which opposes the proposal is that of teachers who are often harassed under small local administrations and who always prefer to be the servants of the State, or better still, of the Central Government. But neither of these groups has any strong argument on its side. There is no reason why the rich urban areas should not make their due contribution to the support of education; and if this is made obligatory, irrespective of the fact whether the urban local authorities administer education or not, their opposition to being entrusted with some educational responsibilities will disappear. It is true that the grievances of teachers are, in many instances, right. But instead of encouraging their escapist attitude, it will be more fruitful to devise ways and means to ensure that they are not subjected to any harassment. Experience has shown that this is possible and that service under urban local authorities can be made even more attractive to teachers than that under government. This can be especially so for women teachers who like to remain in towns and dread being transferred to rural areas.

II

What form should this association take? That is the second problem which needs discussion. This has two aspects : scope and manner of association.

Regarding the scope of such association, it may be desirable to universalize the practice which now prevails only in the erstwhile areas of the British Indian provinces and which has stood the test of time and experience, namely, to make the establishment and maintenance of primary schools an obligatory duty of all urban local authorities

and to make it their discretionary duty to undertake any other educational activities of their choice. Naturally, the development of discretionary programmes of the municipalities will depend upon their resources. The majority of municipalities may not be able to do anything beyond primary education. But some will take up programmes of adult or secondary education and a big municipality like the Corporation of Bombay may even maintain medical colleges as it does at present.

The manner of association of municipalities with the administration of primary education in their areas is a more complicated problem. Such association will obviously depend upon the size, resources and competence of the municipalities and these show immense variations. In the light of past experience in India and practices prevailing in Western democracies, however, the following two principles can be suggested for guidance in this regard :

(1) It is only the bigger municipalities which should be authorized to administer primary education in the full sense, namely, to have all authority regarding the establishment and maintenance of primary schools and the appointment of primary teachers. If this authority is to be properly exercised, the minimum essential requirement is that it should be possible to appoint a competent Education Officer to look after the primary schools. This will be possible only in the big municipalities which have a population of about one lakh or more. The bigger municipalities incorporated in cities with a population of ten lakhs or more, may even be entrusted with powers of supervision. The authority regarding curricula and textbooks has, however, to be retained with the State Government because of the large scale and continuous migration between urban and rural areas.

(2) In the areas of smaller municipalities which cannot appoint a competent officer to look after their primary schools, the authority to appoint primary teachers and to supervise and inspect primary schools should be vested in the State Government and carried out through appropriate officers. But all non-teacher matters, such as establishment of schools, construction and maintenance of buildings, provision of equipment, enforcement of compulsory attendance, etc., should be entrusted to the municipalities and should be discharged through a statutory committee on education. Such an arrangement will save teachers from the harassment which

generally becomes pronounced in small towns and, at the same time, bring in local interest, enthusiasm and support to bear upon the improvement of primary education.

In short, the municipalities may be divided into three groups. Group 'A', which should include the corporations and municipalities in cities with a population of 10 lakhs or more, may be entrusted with all authority over primary education, including supervision and inspection, appointment of teachers and establishment and maintenance of primary schools. Group 'B' should include municipalities with a population between one lakh and 10 lakhs and should be entrusted with all the above mentioned authority except inspection and supervision which should continue to vest in the State Government. The municipalities in this group should also be required to appoint a competent officer to look after the primary schools- he should preferably be an officer of the State Education Department seconded to work under the municipality. Group 'C' will include the smaller municipalities and should be entrusted with all non-teacher matters relating to primary schools in their areas.[1]

III

We can now discuss some major problems of educational administration in urban areas.

The basic issue in educational administration in India today is to change its character from a 'maintenance administration' into a 'developmental administration'. The educational administrators have to be converted from a body of men who deal mainly with statistics, financial sanctions, grants-in-aid, transfers and appointments, and enquiries into all sorts of complaints, into an organization of educationists who should be imaginative enough to realize the goals of educational reconstruction, sensitive enough to know the needs and demands of the people, competent enough to plan satisfactory programmes of educational reconstruction and to implement them with success, and able enough to function as the friends, philosophers and guides of teachers who, in their turn, should extend a similar service to parents and students. But this is a basic problem which affects all educational administration and need not be discussed here. What we shall examine in some detail are a few problems which are peculiar to the administration of education in urban areas.

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[1] The populations suggested here are indicative. Another basis for classification could be available resources.

These special problems will become clear if we compare educational administration in rural areas with that in urban areas. To begin with, the urban educational administration has a number of assets. It is able to attract and retain good teachers. It can also attract and retain a comparatively large number of women teachers who are specially good at the primary stage. In the city of Bombay, for instance, women teachers form about two-thirds of the total cadre of primary teachers. Since the numbers are large, it is also possible to provide separate schools for boys and girls, although the demand for such schools is less in urban areas than in the villages. Difficult problems like single-teacher schools where one teacher has to teach five classes simultaneously do not also arise in urban areas, except to a very limited extent in the case of linguistic minorities. The parents are generally more education-conscious so that the attendance of children is better and more regular and greater attention is paid to their studies at home than in the villages. On the other hand, the urban areas have some special difficulties and disadvantages also. For instance, it is very difficult to provide adequate playgrounds for schools in urban areas. In many schools, a playground just does not exist and cannot be provided. It is also difficult to provide adequate buildings; and a large number of urban areas have to use their buildings for two and sometimes even three shifts. These difficulties about buildings and playgrounds accentuate as the population increases. The costs of education in urban areas are generally higher than in the rural areas. The rates of truancy and delinquency in these slums are very high and they create what may be called the worst educational problems which any administration has to face and which are far more complex and difficult than problems of rural education.

Another group of problems arises from the co-existence of : (1) Public primary schools which are conducted by government or municipalities, which are free but maintain comparatively poor standards, and which are generally resorted to by the poorer classes of society; and (2) the private schools which generally charge fees, maintain comparatively good standards, and are attended by children of the rich and the well-to-do. There is thus a segregation in primary education which tends to accentuate and perpetuate class differences. This phenomenon hardly exists in rural areas where, in most cases, there is only one school maintained by government or a local authority. How to prevent this segregation without infringing on the fundamental rights of the citizens or the canons of good education is a major problem which primary education in all urban areas has to face.

Yet another problem of education in urban areas is, paradoxically

enough, the isolation of the average public primary school from its community—an isolation which increases as the size of the town or city becomes larger. In the rural areas, there is generally some contact between the primary school and its immediate community, and if this contact is weak, it is mainly due to the illiteracy of the average parent. In the towns and cities, there is a concentration of educated persons and the average parent is far better equipped to take interest in and guide the development of the primary school in his locality than the corresponding person in a rural society. And yet, the character of urban life is such that the educated parent has very little contact, formal or informal, with the primary school of his neighbourhood, especially because his own children are often educated in the separate system of private schools. In fact, in most big cities and towns, the isolation of the publicly-managed primary school from its neighbourhood community is so complete that the two live almost in two different worlds which never meet. This is a great loss to education and a major problem in all urban educational administration is to devise ways and means of bringing together each such primary school into as close a contact with its neighbourhood community as possible.

IV

What measures can we adopt to solve these and other allied problems of education in urban areas? Let us first take the problem of buildings and playgrounds. In the congested parts of cities, it is next to impossible to get adequate space for playgrounds and the only way to provide them to children is to convert streets into playgrounds for specified periods in a day. In fact, children do use the streets as playgrounds with great hazard to themselves and to the traffic. What is required is a system under which particular roads, say roads in front of schools should be blocked for traffic for specified periods with policemen in attendance so that the children can use the streets freely for purposes of playgrounds. This is done, for instance, in many areas of the city of London; and given a careful organization, there is no reason why it cannot be done in cities like Bombay and Calcutta. Delhi and Madras are in many respects, more fortunately placed with regard to buildings and playgrounds. In smaller towns and cities, this problem is not so very acute.

The school has to undertake residual responsibilities and try to remedy deficiencies at home. In congested cities and towns, most people live in small one or two room tenements so that their children generally do not have an appropriate atmosphere for study at home.

The adolescents attending secondary schools are not inconvenienced form this point of view. The schools can come to their assistance in two ways. The first is to design the school buildings in such a way that they can be used as classrooms during the day and as dormitories at night. I have seen such designs where folding beds are put up in a two-or three-tier system in the walls as in railway sleeping coaches. These can be conveniently folded up so that they disappear into the walls during the day while they are extremely convenient at night. Such buildings can be used by a large number of students for dormitory purposes with great improvement in their studies and health. Similarly, I have seen a number of urban schools in Bombay converting themselves into camps for students during vacations. Very few parents can afford to send their children out of the city during vacations; and with very crowded homes, the conditions of these children, especially of the adolescents, becomes worse in the vacations because they do not have even the schools to go to. What these schools do, therefore, is to convert their buildings and playgrounds into students' camps in vacations. Students from the neighbourhood come to spend the whole of their day there and are fruitfully engaged in programmes of self-study, recreation, and a little individual coaching by teachers who remain on duty and are given a small honorarium for the purpose. The students generally go home for their meals so that no large expenses are involved. But they spend most of their time in the school premises and feel greatly refreshed and improved at the end of the vacation. I do not see why such use of schools buildings cannot bemade universal in all the big towns and cities. This will be a great relief to children from lower middle class homes and almost a boon to those from the slums.

One point needs mention. Although it is difficult to provide buildings and playgrounds on an adequate scale in the congested parts of the cities and towns, it would be comparatively easy to do so in the new extensions that are growing up continually in all urban areas. Unfortunately, the planning of towns is not properly done; and even in new areas being brought under development, no adequate provision is often made for school buildings and playgrounds. Such errors should be avoided; and in all development plans of towns and cities, due care should be taken to see that reservations for educational purposes are adequately provided for.

V

The problem of segregation of social classes which takes place because of the co-existence of qualitatively poor but free schools under

public management and qualitatively good but fee-charging schools under private management is more difficult to handle. Some hold the view that no private schools should be permitted at the primary stage and that all parents should be required by law to send their children to the schools in their neighbourhood. This may be an ideal solution. But it is not permissible within the Constitution and it also offends the parents' fundamental right to choose the school for his child --a right which is respected in all democracies. The problem, therefore, will have to be approached from a different point of view and the following steps may be taken :

(1) An intensive programme should be prepared for improvement of the primary schools under public management so that parents would have less objection to send their children to them. Over a period of time, schools under public management should be so improved that the problem of segregation will be reduced to marginal proportions.

(2) Private schools charging fees may be allowed to exist. But they should be required, as a condition of recognition, to admit a certain proportion of free students, generally between 30-50 per cent. This will put an end to segregation which now takes place in these schools. The schools may also be compensated to some extent for the children thus admitted free, the local authority being required to pay a grant-in-aid on their account which would be broadly equal to the expenditure which that authority would have incurred on their education if they had chosen to seek admission in publicly-managed schools.

VI

The problem of breaking the isolation of the publicly-managed urban schools from its community is even more important. The minimum that can and should be done without delay is to set up a committee for each such school, consisting of nominated members who live in the neighbourhood, are not active members of any political party, and are interested in education. The committee should be given specific powers and responsibilities and some funds should be placed at its disposal, with freedom to add to them by local collections. Not all committees need be given the same powers and duties. Certain minimum responsibilities should be vested in every committee; and additional powers may be given (or withdrawn) according to performance and potential. A more daring step would be to constitute,

as in Malaysia, Boards of Governors, for each school. The teachers are then made the servants of the Board and become non-transferable. A great bane of public services of teachers is that they remain loyal to the cadre and fail to develop loyalty to individual institutions which is an essential condition for improving quality. A system of self-governing schools, each with its Board of Management properly constituted from the neighbourhood, will overcome this weakness. It will also get rid of the problem of 'transfers' which is often a great source of harassment to teachers. What is even more important, it will fully utilize the reservoir of talent and interest which is readily available in urban areas for purposes of educational development.

VII

Some other problems may also be noted in passing. In all urban areas, a large number of pre-primary schools have grown up in response to a social demand from working mothers from the middle classes. These are all unrecognized and some of them are run under conditions which are even harmful to children. Some regulation of this private activity seems to be called for. Similar regulation is also needed for the evil of private tuitions, coaching classes and other commercial enterprises which is ever on the increase in all urban centres.

The urban areas also provide excellent opportunities for integrating, in a close partnership, educational institutions at different levels—from primary schools at one end to the universities at the other. Such efforts are not generally undertaken. These will be of special significance in developing programmes for early identification and development of talent. Organizations like the *Dyana-Probodhini* of Poona which identifies and helps talented students at the secondary stage are needed in most big towns and cities. This brings me to the point that there is considerable scope for private voluntary enterprise in urban areas. In several towns and cities there are voluntary private organizations that provide books, scholarships or medical aid to students. There are other organizations that run subsidized cheap hostels. There is really no limit to the needs nor to the efforts we can build up on a voluntary basis, if we only have the will to try and to put in sustained effort.

In big cities, postings of teachers create a peculiar problem. Some time ago, I made a study of the postings of teachers working in primary schools under the Delhi Municipal Corporation. I took, as my basic unit of study, an election ward of the Corporation. I found that in every election ward there were a number of schools and also the residence of a fair number of teachers. It would, however, be

wrong to imagine that the teachers living in a ward were working in the primary schools in that ward. The actual postings of teachers showed that most of them were posted to such schools that the 'journey to work' became terribly significant for quite a few of them. I found some teachers working in schools close to their houses. But I found others who were working far away. I came across a teacher who had to travel about 20 miles a day to reach his school, the journey being performed partly by rail, partly by bus and partly on foot. The amount which the teachers spent on travelling to their schools and back also showed immense variations—from nil to about Rs. 30 per month. Under these circumstances, transfers and postings of teachers assume terrific significance and get into all kinds of undesirable influences and pressures. There is urgent need, therefore, to develop a rational policy on this subject and to implement it, without fear or favour. The provision of teachers' quarters, equitably distributed in different parts of the city, will also be of some help. What I have said here about Delhi applies equally to other big cities.

Finally, a word about problems of finance and grant-in-aid. The cost of education in urban areas is rising very rapidly, due partly to a rise in the cost of living, partly to increasing desire for education, and partly to a rapid increase in the urban population. The urban local authorities will not be able to meet this increasing burden without substantial State aid. Suitable programmes of grants-in-aid should, therefore, be developed. The proposals made by the Education Commission on this subject may be of use in this context. It says :

> "In devising a system of grants to municipalities for school education, it is essential to remember that the municipalities show an immense variation in their wealth and capacity to support education. For instance, a small municipality in a semi-rural township of 5 to 15 thousand population has a very limited capacity to raise funds in support of education compared with a big corporation like that of Bombay. It is, therefore, necessary to devise a system of grant-in-aid which will vary from one group of municipalities to another; and in our opinion, the best procedure would be to adopt a method under which the municipalities could be classified on the basis of their wealth and the poorer municipalities given a higher rate of grant-in-aid than the richer ones. This principle was enunciated, as early as in 1937, by the Kale Committee of the then Bombay State, and a good deal of experience in its implementation has been gained in the States of Gujarat and Maharashtra. This could be of considerable use to other areas adopting the programmes" (p. 492).

URBAN COMMUNITY DEVELOPMENT

Jal F. Bulsara

THE normal man is born in a family and lives and flourishes in a community. Though he may live in separate groups in villages, he soon finds a place in the village community, which is formed of interdependent or interrelated groups. The sense of belongingness arises in villages because of this group interrelationship, and it is strengthened because of the constant contact of villagers with one another owing to the very limited size of the village community. In towns, the groups in wards, localities or streets take the place of village communities, but ties with the community as a whole relax as the community grows larger in size. In cities and metropolitan areas this individual relationship, therefore, weakens further and the sense of belongingness is affected by the keen competition between individual citizens, the vastness of numbers, and the impersonality of metropolitan living. As Aldous Huxley remarked, the London of today is no longer an organic whole. It no longer exists as a community in whose life the individuals can fruitfully participate. 'Metropolitan life is thus *atomistic* and the city does little to correlate its human particles into a pattern of responsible communal living'.

CITIZEN COOPERATION ESSENTIAL FOR SUCCESSFUL CIVIC ADMINISTRATION

Since hundreds of thousands or millions, huddled together in a circumscribed area cannot organize their common affairs of housing, transport, supply of basic services as so many separate individuals, the local council or municipality or its equivalent is obliged to undertake the administration of essential services for satisfying the basic needs of a variety of citizens. This can be achieved to some extent by an efficient civic administration on an overall basis for the city as a whole, but the civic administration cannot do so without the minimum cooperation and participation of the majority of the citizens. If the citizens do not cooperate with the civic administration with understanding and intelligence, also with a full sense of civic pride, the provision of needed services and their tolerably efficient conduct can be disproportionately expensive. If the city cannot bear this excessive burden of financial cost, the services are bound to deteriorate. Thus for any efficient conduct of civic administration at reasonable cost

which the city can bear, the whole-hearted cooperation of the citizens is a *sine qua non* of success, satisfaction, smooth functioning and overall efficiency.

URBAN COMMUNITY DEVELOPMENT MUST BE ROOTED IN EARLY TRAINING FOR CITIZENSHIP

But man is not born with a sense of civic cooperation or an instinct for communal participation. This has to be instilled in him from an early age in the family, in the school and in the community. The community must be so organized that the child imbibes this desire for cooperation and participation from early years, and as a youth he finds an opportunity for such concerted service, and as an adult he carries it as a confirmed habit in his daily living and multiple interrelations. Thus in its best sense urban community development should have its roots in the child's training for citizenship, the youth's preparation for undertaking community service, and the adult's practice of the civic virtues by intelligent participation and promotion of good neighbourly living. Those who try to promote projects and programmes of urban community development among citizens of advanced age are certainly fighting an uphill battle and making their programmes rather expensive.

This is borne out by the example of Swiss citizens and Swiss cities. Swiss school children receive training in citizenship, in keeping the environment clean, in voting at Municipal elections, protecting public property, in clean and orderly personal habits, in mutual help and consideration for neighbours and the old and sick. These lessons imbibed in school are further maintained by adult citizens through local associations working for their respective neighbourhoods and the city as a whole, and the result can be seen in the extremely pleasant look which Swiss towns and cities wear with their spick and span streets, flower-bedecked roads, tree-lined avenues and the general orderly behaviour of the citizens, not to mention the maintenance of local services for their needy or handicapped citizens.

ACTIONS AND BEHAVIOURS OF INDIVIDUAL CITIZENS AFFECT THE TONE OF CIVIC LIFE

In our country, we have been, till the beginning of this century, largely a rural people. Urbanization has grown within the last four decades, and more intensely within the last 25 years. This urban explosion is bound to intensify in volume and tempo at least for another 50 years, because of our population explosion and mechanized agriculture needing much fewer hands per acre than when farm operations

were largely manual, depending upon human labour or animal traction. India, besides, is a vast sub-continent with many communities professing different religious beliefs or dogmas and speaking multiple languages and dialects, and thousands of castes and sub-castes, with differences in outlook, diet, costume, customs, and habits of living. There are also extremes in wealth and income, and these differences do not easily make for mutual understanding and civic cooperation, nor for mutual sympathy or tolerance. In Indian towns and cities, there is therefore utmost *need for social and civic education, for promoting neighbourhood living and for localized community organization and development*. All this is essential first and foremost for creating an atmosphere of cooperation among the citizens in the use of municipal services and amenities, and developing a sense of *esprit de corps* among them, since the city is the common habitat of all citizens, to whatever rank they may belong. It is not difficult to understand that the actions and behaviour of every citizen are bound to affect the overall life of the people at large for good or evil, for enjoyment or frustration.

PLACE OF COMMUNITY ORGANIZATION IN URBAN LIFE

Community organization will not only have to be undertaken by the citizens themselves but the Municipal and State authorities will have to encourage and promote it by active assistance and giving appropriate facilities so that the citizens could come together and work for their social amelioration and improvement of their physical environment. The Municipal and Governmental support is necessary because whereas the citizens can contribute their personal effort and some resources, by the very nature of urban living and the complexity of its demands, citizens or local communities cannot provide the basic civic services. It is here that the efforts so far made at urban community development in some cities have to be viewed with a critical eye in the light of accumulated experience. Urban community development projects have been undertaken in Delhi, Calcutta Baroda, Madras, Ahmedabad, Jamshedpur and in ten other cities by agencies, such as the Central Social Welfare Board, Bharat Sevak Samaj, American Friends Service, Ford Foundation, Swedish Swallows and some others, as also by local Municipalities through Central and State Government assistance. By and large the projects have been started in deprived or backward areas or slums, the idea being that those suffering abject conditions need such assistance most. Thus in most places the philosophy has been to go to the aid of the deprived and a sense of patronage has naturally entered into the service. Often the local people have been made to look to external assistance for ameliorating forbidding local environmental conditions.

ENERGY SPENT IN PROVIDING BASIC CIVIC SERVICES

The onerous task of arranging for the basic civic services in urban community development projects, such as water-supply, conservancy service, latrines and lighting, paths and roads, involved a great deal of effort on the part of the community development organizers. In fact, at times so much energy of the workers is spent in bringing basic civic services to the depressed areas or slums that other essential aspects of community development do not receive enough attention. It is necessary to awaken the community to the potentialities of its inherent strength in self-organization, mutual cooperation, and sharing of responsibility in ordering the civic affairs of the locality with the active participation of the area of mohalla committee or mandal. Further, the energetic youth and adults, men and women, have to be oriented to the philosophy of community work and trained to work as a team and in committees or groups.

EXPERIENCE OF URBAN COMMUNITY DEVELOPMENT PROJECTS

So far community development work has been carried on in the country among about 2,25,000 families comprising about 1·25 million persons out of a total urban population of 35 million in the 107 cities (1961 census) of 100,000 or more inhabitants each. The amount of money spent ranges from Re 1 to Rs. 5 50 per person per annum, apart from the efforts of a few hundred voluntary workers. The effort is no doubt commendable and whatever little has been achieved goes to the credit of the agencies and organizations undertaking the service. Where the projects have been abandoned for one reason or another, conditions are not improving because other local communities are neither competent, not resourceful enough to maintain the earlier standard of development achieved through the assistance of outside agencies.

It is, therefore, necessary that we should analyse the results achieved of about 130 urban community development projects launched so far under various auspices, and reorientate our *national policy of urban development* in the light of experience of rapid or explosive urbanization.

BASIC INFRA-STRUCTURE OF CIVIC SERVICES : THE RESPONSIBILITY OF MUNICIPAL AUTHORITIES

Past experience shows us that urban community organization and development is a useful process and procedure to train citizens in

self-help and mutual cooperation. It can bring about considerable improvement of the local environment and also develop the inner strength, discipline and self-reliance of the community, thus enabling it to undertake its steady development by solving day-to-day problems through concerted community effort, seeking outside assistance, wherever necessary. We can also say that it has a definite part to play in a country like ours where the urban population is highly heterogeneous, a large proportion being illiterate, and the need of community cohesion, therefore, imperative.

But it would be futile to expect that urban community development can also achieve what is mainly the legitimate sphere of competence and responsibility of the organized constitutional authority of the community. Thus to deprive citizens of basic amenities like a pure water-supply, land for housing, cleaning services, roads, drainage, sewerage, cheap transport to work places, lighting and facilities for recreation, such as playgrounds and open spaces, primary schools and medical and health-services --depriving the citizens of these essential services and expecting local communities, poor as most of them are, to build these up or provide substitutes for them with the help of external agencies is the very negation of the concept of cities and the philosophy of ubran development. Most of these services are centralized ones requiring high finance, and in towns and cities beyond a particular size (say 15,000 persons) it is not possible for local groups to provide them by themselves even if they could command some local resources. It is thus evident that the total Municipal authority has to provide the basic infra-structure or civic services for rendering healthy community life possible. Given these facilities, the local community effort can go a long way to improve the physical environment and enrich the social and cultural life of its members. Deprived of them even inordinate efforts on their part will not bring proportionate results, and frustration would be inevitable when long, earnest and sincere efforts on the part of well-meaning voluntary social workers and agencies fail to achieve any results in the matter of improvement of living conditions.

PROPER MILIEU NEEDED FOR URBAN COMMUNITY DEVELOPMENT TO FUNCTION EFFECTIVELY

It will be wise to realize that *urban development* is also the function and responsibility of *State and Central Governments*. Voluntary welfare agencies and local communities have certainly a part to play in the optimum use and careful maintenance of these civic services and further enriching local life and meeting the day-to-day minor needs

of their members. If the idea is entertained, however, that urban community development is a *panacea* for the neglect of the local authorities in providing basic civic services, such an erroneous approach would only land us with problems of urban explosion, more difficult to solve as time elapses. The problems of cities like Calcutta, Bombay, Old Delhi, Kanpur and others are assuming alarming proportions because of excessive congestion and the basic amenities and services being denied to substantial proportions of their populations, urban community development being expected to work miracles as a substitute. Urban development and urban community development have to be understood in their proper perspective. Urban development needs to be planned and implemented on a national scale with a well-thought out national policy. In evolving this national policy, perhaps land in urban areas will have to be owned by the Municipal Corporations and leased to entrepreneurs for development according to a broad-based Master Plan. Basic services will have to be provided by the corporate authority, and the Central Government will have to share part of the revenues from income tax, wealth tax, customs and excise duties, and other imposts collected from cities, with the civic Corporations for providing needed services. When the basic civic services have been provided to all the citizens and subsidized housing for those with income below a certain level, urban community organization can play its legitimate role of orienting citizens to use the services with care, maintain them as if they belonged to them, and add their quota of organized voluntary service for making community life fuller and richer. Thus one feels urban community development cannot function in a vacuum, nor can it function effectively where basic elements for its functioning are lacking. If we realize the proper place of urban community development, and the nature of its process, we may be spared further frustration. Nor can we deny the value and utility of local urban communities functioning on the basis of self-help and self-reliance and contributing their local share in the efficient management of civic affairs and enriching of total urban life. But limitations of any urban community development programme as well as its need of the basic infra-structure of civic services have to be appreciated by planners, politicians and administrators. Thus, it must be seen to that proper tools are provided to the project personnel for helping them induce the local communities to undertake simultaneous developmental or improvement work. To illustrate, most such work will require a Community Centre in an easily accessible spot as a necessary and useful adjunct, wherefrom various activities and services may radiate to the local community as a whole as also to individual members. It need not be expensive or elaborate and its seeming expenses and capital cost can even be shared

by the local community. But without a properly equipped Community Centre, not only the paid technical personnel but the volunteers from the local community also will find it extremely difficult to carry on their multifarious activities effectively, meeting and consulting people and encouraging them to corporate in an organized manner for their progressive well being. This aspect of imaginative planning has often been lost sight of, as one can witness in new housing complexes coming up at substantial costs without provision being made sometimes for such essential or enabling amenities as shops, schools, library and reading room, playground, and almost invariably without providing a conveniently situated Community Centre—an essential adjunct under Indian conditions for integrating the heterogeneous groups of residents as also for necessary community development work.

The lessons learnt in the many Community Development Projects need to be utilized by incorporating in our many housing projects and the developing towns and cities such amenities and services and tools and equipment as have been found to be fundamental for healthy and harmonious urban living, which in massive agglomerates totally different from the easy individualistic sprawl of our half a million sparsely populated and largely isolated villages.

"The hereditary caste system of Indian society with its ritualistic segregation of the professions, excluded the emergence of a citizenry and urban community."

— MAX WEBER

CREATION OF A CADRE OF LOCAL CIVIL SERVICE PERSONNEL*

K. Venkataraman

THIS paper attempts to supply the perspective in which the problems of creation of cadres of local civil service personnel in India should be viewed and to discuss the general outlines of the manner in which it should be tackled.

If one were asked to specify the deciderata for successful local government, the requirement of competent staff would be one of the most frequently mentioned, though the ranking of the desiderata may vary according to individual judgment, some insisting on finances as the most important single factor, others insisting on staff and yet others insisting on local autonomy. From whatever angle local government is looked at, the problem of staff has a vital relation to the other major problems facing it. The success of local representative government may very largely be attributed to the effective combination of the different qualities which are contributed by elected representatives and non-elected employees.[1] The pace of decentralization will be conditioned by the availability of competent staff and it is very much on the performance of the staff that the question depends whether more functions will be delegated to the local bodies or their existing functions will be taken away. Besides, in developing countries local bodies have the potential of serving as engines of economic development.[2] If any breakthrough is to be achieved in economic development through the agency of the local bodies, it is the staff that will have to act as a catalyst to that process.

The staff problem has a vital relation to financial problems also. It has now generally been recognized that low paid staff and low resources are segments of the same vicious circle and that an ill-paid and unqualified staff will not only fail to raise resources but also

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* This is a condensation of a prize essay of the same title in the I.I.P.A. Prize Essay Competition, 1967. The treatment here is necessarily less comprehensive for reasons of space. The views expressed are the personal views of the author.

[1] Humes and Martin, *The Structure of Local Government throughout the World*, Martinus Nijhoff, 1961, p. 150.

[2] For an elaboration of a view of this kind, see, for example, K. Venkataraman, "Local Finance in Developing Countries", *Journal of Local Administration Overseas*, London, July 1965.

to spend well whatever has been raised. The best value may not be obtained for the money spent.

If the importance of staff in the local government is well recognized so is the need for the creation of professionalized[3] service for the local government personnel. For, when we speak of the staff problem in local bodies the question is not one of finding some bodies but of ensuring reasonable efficiency. In general terms, the advantages of having a professionalized service with built-in prospects for transfer, promotion, etc., are clear enough. If integrity, competence, impartiality, contentment and devotion to duty are the hallmarks of a good civil service, then a local civil service with inter-transferability provides for a wide variety of advantages which do not otherwise exist. It helps, on the one hand, the personnel to acquire experience in different local bodies and in different circumstances which gives them a much wider approach to the problems of local government and a much greater competence to tackle individual problems. At the same time it provides for the best deployment of available personnel and for redeploying them according to the requirements of local bodies from time to time. It supplies a framework for promotion from one grade to another which sustains the interest of the personnel in the service and also provides a wider, useful and natural base for recruitment to the higher categories. Persons transferrable from one local body to another can also have a feeling of greater freedom of operation without any inhibition that their entire career will be at stake if they "offend" the non-officials of any particular local body. This feeling of freedom will make them act with much greater sureness and speed than the feeling that their job is not to get things done but to keep clear of "trouble". Besides, there is obviously greater security of service in a professionalized civil service than when the appointment is at the behest of a particular local body. There is again the advantage that periodical change of job and environment facilitates a freshness of outlook which will otherwise be lacking. A professionalized civil service also lifts up the morale of individual civil servants and gives them prestige in the public eye, self-confidence and a greater sense of social responsibility and 'compulsive efficiency'.[4] Yet another

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[3] We shall be using later another term "provincialization". This, in its broadest, would mean creation of a cadre by the State Government.

[4] "Most obviously missing in the local government services of many developing countries, is a sense of professionalism. Professionalisation of the service is a most important objective because, from it, the employee gains a sense of compulsive efficiency, arising from the fact that there are standards established for doing the job and if these are not maintained, he knows that his colleagues, informed critics, will be scathing. It is to be hoped this will help produce, among other things, that spirit of public mindedness which is so extremely difficult to promote." Henry Maddick, *Democracy, Decentralisation and Development*, Bombay, Asia Publishing House, 1963, pp. 184-5.

reason is that a civil servant forming part of a greater whole be able to enforce discipline and collect taxes better. The Report on the Augmentation of the Financial Resources of Urban Local Bodies makes the specific point that the collection of taxes is higher in States like Madras and Kerala where there is a provincialized municipal service for Municipal Commissioners and cites this as a ground for provincialization.[5]

While such are the advantages it may be said that professionalization of the staff may create a lack of sense of identification with any particular local body. It may result in a feeling of insularity that is detrimental to whole-hearted cooperation; bureaucratic slowness may replace speed and enthusiasm in the implementation of projects. The stake in one's career becomes high but the stake in a particular local body becomes low. While all this can happen, the balance of advantage clearly lies in the creation of a local civil service which makes the optimum use of men and frees them from an attitude of *laissez faire*. Besides, arguments that professionalization would be against local autonomy cannot always be valid. For one thing, it would depend on what we consider essential to local autonomy. If Central and State Governments are enjoined by the Constitution to recruit persons through Public Service Commissions there is no reason why local bodies should have scope for recruiting by patronage and discretion rather than by strict merit. Historically, the reasons for non-institutionalization of a merit system in local bodies seems to be not so much because it was specifically held to be prejudicial to local autonomy but because the problem of local government personnel was not then so demanding as to warrant an institutional merit set-up.

In fact, even from the point of view of local autonomy, there can be situations where utter lack of mobility can be a handicap rather than a benefit. If a local body which has freedom to choose its own employees happens to choose unsuitable types who can establish no rapport with non-officials, it will have no means of getting rid of such persons save by severe disciplinary action which may not always be justified. It may even happen that some of these appointments might have been politically motivated and if a council of a different political orientation gains power it may be glad to get rid of such persons as much as the persons themselves may like to get away from an unfavourable situation. Besides, stay-put local government personnel may gather political moss and enter into the tempting game of local

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[5] Government of India, *Report of the Committee of Ministers on Augmentation of Financial Resources of Urban Local Bodies*, New Delhi, Ministry of Health, 1965, p. 44.

balance of power. Hence, even those who argue in the name of local autonomy will realize the advantages of a measure of intertransferability and loss of patronage may be a price which they may be willing to pay for such an advantage.

While, thus, neither the important role of the staff in local government nor the need for a professionalized local civil service is very much in doubt, in practice these considerations have suffered neglect. Just as local government itself has suffered from comparative neglect, these problems have not received any deep consideration at the hands of politicians and administrators.[6] Decisions relating to these important aspects are taken in an *ad hoc* fashion and not with a clear sense of the broader problems of local government.

It is equally important to realize that the staff problems and the problems of creation of a local civil service cannot be dealt with in a purely theoretical way and in isolation from the general problems of local government. Any practical solution to these problems can be formulated only in the context of a broader framework and an awareness of the perspectives. It is, therefore, necessary to underline at this stage the various practical aspects that one has to keep in mind in trying to apply a theoretically valid solution of a local civil service to the personnel problems facing local government.

To begin with, obviously, the staffing is very much dependent on the types of local government in a country and the way in which the local government institutions have evolved. In some countries, local government institutions have been in existence for a long time and the current local administration set-up is only a broad recognition of a traditionally grown up system as modified from time to time according to needs. On the other hand, local government institutions may have been simply created and planted in some countries. Any survey of local government throughout the world will reveal that there is a diversity of approach among various nations to the problems of local government and that such diversity cuts across the developed and the developing countries.

The staffing pattern again depends on the spirit informing the State in regard to local government. The manner in which the usefulness of local government in the body politic is viewed and the ideas

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[6] Thus, even in England, "... local government is unquestionably behind the civil service and the larger industries in the whole question of "personnel management". Institute of Public Administration, *The Elements of Local Government Establishment Work*, London, 1951, p. 119.

of local autonomy that prevail will very much influence the personnel system.

In some developing countries the dearth of qualified personnel may also be a factor relevant to the decisions to be taken. There may be greater need for the limited manpower and hence local government staffing problems may not receive high priority.

Yet another general consideration is that local governments are creatures of state statutes and the provisions in regard to staffing may not have been drafted with an adequate degree of care and forethought in the midst of so many problems awaiting decisions in the drafting of local government statutes and piloting them through the legislatures. The question of the availability of finance to provide for a reasonably well paid local civil service may also have prevented due regard being given to staffing problems. In a federal country, again, each State may have its own views on local autonomy and decentralization.

Apart from these considerations, it is also very important to realize that the problem of creation of a local service is really a whole set of problems. We have, for example, in India, different types of local institutions, *viz.*, Municipal Corporations, Municipalities and what are known as the Panchayati Raj institutions. We have different types of personnel like the executive personnel, the ministerial, the top technical, the intermediate technical, the teachers, menials and so on. To build up a satisfactory personnel system for all these categories is a job of considerable complexity requiring a good deal of thought. The problems of each set of personnel will require separate examination and treatment.

It is because of the wide variety of local conditions and approaches to local government that we see a spectrum, as it were, of staffing patterns in the local governments of the various countries of the world. We may usefully turn to have a look at this spectrum before we concentrate on the Indian situation.

II

The staffing patterns in local government in the various countries of the world reveal four different major approaches, with a number of variations in each of them. The four approaches are as follows : (1) Integration of central government and local authorities system; (2) a unified Local Government Service, separate from the central

government service; (3) a separate personnel system for each local authority; and (4) loan of staff.[7]

Yugoslavia and Morocco are examples of an integrated system of civil service. In Yugoslavia all civil servants employed by the central government, the republics or the municipalities have equal rights and may on the basis of competitive examination move freely from one post to another at any level within the framework of a single civil service system. In Morocco, municipal officers are all recruited and administered by the Ministry of the Interior and attached to local authorities. They belong to a cadre separate from other officers of the Ministry of the Interior but their salaries, status and other conditions of service are the same. They are transferrable from one town to another by the Minister of the Interior.

The system of a unified local government service has also its variations. Some typical examples are to be found in Ceylon, Western Nigeria and Ireland. The number of countries with such unified local government services seems, however, to be only a few. The common element in such unified local government services in different countries is that an independent Board established by law within the general purview of the Ministry of Local Government has full powers to make appointments to posts in the local government service, to transfer members of the service between posts in their service and to exercise disciplinary control over them. The Board may delegate its decicision for appointment and dismissal of certain staff, *e.g.*, the junior officers, by the local authorities themselves subject to the overriding principle that the final responsibility rests with the Board. Local councils may recommend or even appoint staff subject to the Board's approval. Or personnel which local governments may appoint are eligible for transfer to posts within the unified service only after appointment or certification by the Board. The scope of the local government service may cover all authorities and staff as in Ceylon or only in certain salary levels as in Western Nigeria.

The largest amount of variations is in the third category where there is a separate personnel system for each local authority. At one extreme are the dual systems in the Americas where local authorities are left to their own devices with respect to employment of staff. More commonly, certain aspects of local government personnel administration, such as salaries, pensions, qualifications of certain technical personnel, etc., may be prescribed by the central government and the latter may render recruitment and other services to local authorities,

[7] The treatment here is based on pp. 48-50 and 73-75 of *Decentralisation for National and Local Development*, United Nations, New York, 1962.

the combination of these falling short of a unified local government service. This is perhaps the most prevalent arrangement in many countries. This is, however, rather unsuitable to rural authorities in developing countries which will be unable to attract and retain technical personnel under such system.

As examples of unitary trends in this category we may discuss briefly the experience of the United Kingdom and the United States. In the United Kingdom, local authorities operate independently of one another and of the central government, except as regards certain matters which are subject to control arising from the payment of government grants. As regards staffing and organization, in particular, common action has been possible by the setting up of the Local Authorities' Conditions of Service Advisory Board in England and Wales (and a similar committee in Scotland) on which are represented the English local authority associations and the London County Council as well as representatives of the employers' sides of the national joint councils in local government. The Board was the result of the felt need of the local authorities for an organization that would provide them as employers with services and sources of information comparable with those given by employees' organizations to their members. The functions of the Board include the collection of information with regard to conditions of service in general and those in the local government service in particular, the coordination of the activities of the employers' side of wage negotiating bodies and the exchange of information with other organizations.

A committee under the chairmanship of Sir Henry Hadow reported in 1934 on the qualifications, recruitment, training and promotion of local government officers and its recommendations were gradually accepted. One of the results was the formulation of a Scheme of Conditions of Service of the National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services in England and Wales, which covers recruitment, qualifications, training, hours, leave, discipline, sick pay, allowances and expenses, as well as salary scales for various groups.[8] Thus there has been a lot of collective thinking on the problems of local government personnel.

The experience of the United States of America is too diverse and extensive to be dealt with here. There the historical trend has been a shift from the spoils system to a career system of a comprehensive

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[8] See Chapter I of Institute of Public Administration, London, *The Elements of Local Government Establishment Work, op. cit.*

nature where merit is given its due place. We may, however, note here that "although much progress has been made, the process of recruitment and selection on the municipal level is still in its infancy."[9] We may, in particular, also note the problems of small cities in evolving a career system. In this connection a mention should be made of the New Jersey plan, the Massachusetts system and the Michigan demonstration project. Under a New Jersey Law, as early as 1908, municipalities by referendum may accept civil service assistance from the State. The Civil Service Commission will perform personnel functions of the municipality without cost. Once a Municipality has voted to join the system, its decision is irrevocable. The plan has proved fairly popular in the State.

A Massachusetts civil service law dating from 1884 entrusts the State Civil Service Commission with the administration of local civil services. In Massachusetts, cities of 100,000 or more in population are required to be under state control. For cities below this number, the option of system of New Jersey prevails. In a study of this plan it has been concluded that the state agency by assuming a police man's role tended to ignore the positive aspects of personnel administration. An elaborate system of employees' protection against removal was developed but programmes for modernization of recruitment and examination techniques, a more adequate transfer system and above all more effective use of statewide eligibility lists, one of the really important advantages of a state personnel system languished on the vine.[10]

In Michigan, the Municipal Personnel Service, an affiliate of the Michigan Municipal League, provided, on cost basis, the cities with all the technical functions needed in connection with the personnel programmes.

The attempts made by some of the States in the U.S.A. to solve the problem of recruitment in small cities not only prove that some kind of unification of practices within a state is possible but also that different states might follow different methods in solving the problems.

We now come to the fourth category of approach to personnel systems, *i.e.*, the system of loaning of staff which is prevalent in the United Arab Republic. As a permanent policy, loaning of staff may

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[9] Benjamin Baker, *Urban Government*, Honolulu, East-West Press. The description of the American practices here follows this book.

[10] Prof. Benson cited by Baker, *op. cit.*

not be a real solution to the personnel problem of local bodies and is not in any way preferable to an integrated service. Loaning of staff can always be done as an *ad hoc* measure, if circumstances warrant.

III

The position in India clearly illustrates why there is a large measure of diversity in local government staffing patterns. The federal nature of the Constitution and the integration and reorganization of States are some of the special complicating factors. This apart, there are different types of local governments and what may be suitable for one type may not be suitable for another and a measure of specialization is necessary in this field also. Considering the nature of local government, it would be convenient to combine municipal corporations and municipalities in one category and rural local bodies popularly known as 'Panchayati Raj Institutions' in another.[11]

Not only are there different types of local governments, there are different types of personnel too. Blindly creating cadres of local civil service personnel is not what we advocate. There are certain types of personnel whose provincialization can be considered almost imperative and others whose provincialization will be administratively inconvenient. The post of Chief Executive Officer of a local body is clearly of a type which requires to be provincialized whereas teachers employed in local body primary schools are clearly of a type for which provincialization may not bring in much of administrative advantage. The accounts personnel of local bodies will perhaps stand on the same footing as Chief Executive Officers, since a professionalized cadre of accountants will be less amenable to local pressures and also capable of being integrated with the audit staff of local bodies resulting in a mutual interflow between accounts and audit to the benefit of both.

An optimum system, it can be argued, would be synthesis of the four approaches to the personnel system which we have mentioned above. A proper balance is to be struck among a number of considerations like the need for the State Government to have a control over the local bodies and their personnel, the need for local bodies to have a measure of local autonomy and also probably the need for the non-officials of the local bodies to have a feeling that they have an element of patronage, the requirements of the job and

[11] A Study Group on Panchayati Raj Administration suggested in 1961 that "wherever possible the Municipal services may be integrated with the Panchayati Raj Service". This suggestion does not have much to commend it by way of necessity or administrative convenience; and this line of thinking has not been seriously pursued subsequently.

the feasibility of forming viable local government services, all these have to come into play. At the top level, it would be best to have a system of integrated services so that top administrative and technical personnel are seconded to local bodies from government service. At the next level, in respect of less senior administrative posts and other supervisory posts and also such of those technical posts which would admit of falling into a single unified cadre, a unified local government service can be attempted. At a still lower level, the local bodies can be given the freedom and discretion to select and appoint personnel for minor municipal posts and all menial posts. Loaning of services to local bodies may not be necessary on many occasions except when big projects are undertaken by them and for which it would not be worthwhile for them to recruit and employ permanently a set of people.

It is also necessary to consider at this stage itself the need for a Local Government Public Service Commission of the Ceylon type or a more limited variety. The Calcutta Corporation has set up a Municipal Service Commission for appointments to posts carrying salaries ranging between Rs. 250 to Rs. 1,500 but posts carrying a salary higher than Rs. 1,500 are filled on the recommendations of the State Public Service Commission. In Rajasthan, a Panchayati Raj Service Commission at state level has been set up and recruitment to services is made by a committee at District level presided over by a Member of the Commission. In Maharashtra, divisional and district selection boards have been created by law for Zila Parishad and Panchayat Samiti appointments. It does not, however, appear that a separate Local Government Service Commission has any overwhelming advantages in the Indian set-up. In Ceylon such a Commission was established very early and it performs not only the tasks of recruitment but also other items of establishment work like a government department. In India, State Public Service Commissions have been constituted under the Constitution and they could very well perform the duties of recruitment of the staff of the local bodies. This would be a reasonably good and less expensive arrangement. The other items of establishment work like those of posting of persons legitimately belong to the State Government or the Director of the Municipal Administration and the local bodies themselves rather than to an independent Commission. This is, however, necessary in regard to systematic recruitment in local bodies in India, *viz.*, that all such recruitment may be done by the respective Public Service Commissions to whom vacancies can be notified as and when they arise and which can conduct examinations and tests every year and allot the required number of candidates to local bodies. Here the only difficulty is that

it is necessary to ensure that all the candidates get accommodated in some local body or other according to the order of merit if at the same time the local bodies themselves should have a limited option in choosing particular successful candidates. In the alternative the task of allotment can also be left to the Public Service Commission which is independent and which can itself post the people initially to some local body or other with reference to their native place and so on. The problem of allocations will, of course, be a real problem only if the recruitment is not done to a provincialized service. Recruitment through Public Service Commission for local body posts is, however, a measure which can be carried out independently of any decision to provincialize a particular service or other.

It should, however, be remembered that creating a cadre of local civil service personnel will in the long run produce a certain cohesion and a collective awareness of their rights and privileges. This may lead to collective demands for increase in salaries and other service benefits. This is, however, not to be grudged. This would, in any case, bring into further prominence the question of disparities in emoluments between State and local body employees. One of the surest ways of scotching any move for creating a cadre of local civil service personnel would be to link it with the question of disparities. The latter is no doubt a very related question and without solving it there cannot be a wholesome solution to the problem of local government administration. However, State Governments are not likely to accord high priority to the removal of disparities in emoluments between the State and the local body employees[12] and it would be administratively inexpedient to link up one issue with the other. 'Provincialization' can proceed without necessarily removing such disparities.

We may now proceed to examine the personnel system in vogue in the municipalities in various States in India. The need for a State-wise cadre for municipal employees has been emphasized often by administrators and political leaders for over 40 years now.[13] The State of Madras was the first to have organized a State Municipal Service.[14] Kerala, Mysore and Andhra Pradesh have formed similar services, which in the case of Kerala and Mysore are confined to executive

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[12] *e.g.* The Madras Pay Commission of 1959-60 took the view that for ministerial and non-technical services some differences appeared to be "justifiable and necessary".

[13] For example, "a plea for an open competitive municipal service examination for the whole of India". K. T. Shah and G. J. Bahadurji, *Constitution, Functions and Finance of Indian Municipalities*, P. S. King & Sons, 1925, pp. 109-111.

[14] See V. Venkata Rao, *A Hundred Years of Local Self-Government in Andhra and Madras States*, Local Self-Government Institute, Poona, 1960.

officers only. Andhra Pradesh has recently framed service rules for Municipal Commissioners, Health Officers and Municipal Engineers. The Municipal Commissioners' Service Rules constitute a system of unified municipal service for the whole State for the exclusive purpose of postings to the municipalities of different grades as well as to the senior posts of the Municipal Corporation of Hyderabad. The Health and Engineering Services, on the other hand, form an integrated service to serve the combined needs of the State Government and local bodies. The officers of these services draw their pay and allowances from the State Government which recovers from the local bodies concerned the amount of pay, allowances, loan and pensionary contibutions in respect of administrative services but on 25 per cent of the expenditure on Health Officers. In case of engineers the entire amount is recovered in Telengana but only 50 per cent in the Andhra region of the State. In some of the States, such as Uttar Pradesh and Mysore, there are integrated Health Services for the State and the municipalities and in Uttar Pradesh the salaries of Health Officers are met by the State Government. In Orissa, the Government sends officers on deputation from Orissa Administrative Service, State Engineering Service and Public Health Service to municipalities and recovers the expenditure. There appears to be a growing awareness in other States also of the need for having State Municipal Services. Recent legislation in Rajasthan, Madhya Pradesh, Mysore, Punjab, Maharashtra and Uttar Pradesh has provided for creating State cadres.[15] These legal provisions, however, have not so far been implemented. In Rajasthan, not only the Superior Services, but also the Subordinate Services including the Class IV Services have by rules been created into State Cadres but the rules have not so far been implemented.

The Rural Urban Relationship Committee which has examined the question of municipal personnel[16] found "that the municipal services today are hardly competent even to perform normal functions of local Government." It found that the disciplinary control vested in certain municipal councils resulted in the officers and staff carrying fovour with the Councillors and involving themselves in factional politics; autonomy in the matter of appointment and removal of municipal employees seriously undermined the municipal administration. To remedy the situation, the Committee recommended that integrated cadres should be created for technical services (*viz.*, Engineering,

[15] It appears in Uttar Pradesh there was some opposition to provincialization and there was also a writ in the High Court. The Uttar Pradesh Palika (Centralized) Services Rules, 1966, have created nineteen categories of Municipal Service.

[16] See *Report of the Rural Urban Relationship Enquiry Committee*, Vol. I, Ministry of Health and Family Planning, 1966

Medical and Health, and Education) and a unified cadre for administrative services. These cadres could have various grades to suit the various types of municipalities.[17]

It will thus be seen that so far as municipalities are concerned, it should not be difficult for the State Governments to take effective steps for provincializing some of their services and providing the climate for an efficient personnel system. It is surprising that in spite of the municipal government in India being fairly old, the matter has not received adequate attention in implementation. This appears to be due more to administrative inertia and a failure to realize that some simple steps would improve municipal administration considerably than to any organized or sustained resistance on the part of non-officials. Even now, it is in the municipalities that steps should first be taken to create cadres (statewise or districtwise as the case may be) of such of those posts in respect of which formation of cadres is feasible.

Paradoxically enough, it is in the Panchayati Raj Institutions that provincialization has been faster though it is precisely where one would suggest a measure of caution. The State Governments have only recently set up the Panchayati Raj system and it is not clear whether the systems would undergo any change, whether more functions would be given to these institutions or whether some of the existing functions would be taken away from them and what kind of other problems would be faced in implementing a personnel system for running day-to-day administration as well as for extension work. Creation of rigid cadres at this stage may in some cases result in embarrassment to the State Government if it wants to cut down some posts as being superfluous.

Official thinking on Panchayati Raj has always been in favour of creating cadres of local body personnel, though after a period of all-out enthusiasm there is now a more balanced approach. There has been increasing realization that some of the cadres, particularly on the extension side, have to remain state cadres with the staff being seconded to work in local bodies. One of the recommendations of the Annual Conference on Community Development and Panchayati Raj of 1965 was that Class II Officers, all Extension Officers and accountants of the Panchayati Raj bodies should be members of the respective State cadres. There has also been a consistent and firm recognition that powers of recruitment, appointment, promotion and

[17] *Ibid.*, see the Report for a suggestive scheme.

disciplinary action in respect of the staff of Panchayati Raj institutions should vest in an authority independent of the elected wing of these institutions. The need for reserving a suitable percentage of certain categories of posts particularly in the Pachayati Raj and Community Development Departments as promotion quota for employees of Panchayati Raj institutions has also been increasingly stressed.

The recommendations of the Study Group on Panchayati Raj Administration in 1961 give a good idea of the original official thinking on a 'Panchayati Raj Service' and are worth quoting in full :[18]

(1) "In addition to the already existing State Services each State may establish a Panchayati Raj Service. Recruitment to this service should be made on a district-wise basis. The Service may be divided into different grades. The categories of staff which should be included in the Panchayati Raj Service should be determined mainly with reference to the functions entrusted to the elected bodies at the various levels. The Panchayati Raj Service should have its own rules.

(2) Persons included in the Panchayati Raj Service should be assured of adequate security of service and chances of promotion in the respective departmental cadres of the State service.

(3) Wherever possible the Municipal Services may be integrated with the Panchayati Raj Service.

(4) Class IV posts need not be encadred in the Panchayati Raj Service, but rules relating to the terms and conditions of service with service benefits like provident fund or gratuity (or both) and rules of disciplinary control and conduct should be framed.

(5) There should be a Panchayati Raj Public Service Commission for each State which will undertake a common State-wide recruitment. After recruitment, the persons will be allotted to the various districts.

(6) An authority may be prescribed at the district/block levels which will have powers of control and discipline and power to make transfers and postings.

[18] Panchayati Raj Administration, *Model Rules of Business*, Ministry of Community Development and Co-operation, 1961, p. 52.

(7) The services of State servants may be placed at the disposal of the local bodies on such terms as may be prescribed."

Many states have gone ahead in the matter of creation of cadres for Panchayati Raj personnel and we may briefly consider the position in some of the states. In Maharashtra, Class I and Class II Officers belong to the State services and for each Zila Praishad, a District Technical Service, Class III, a District Service, Class III and a District Service, Class IV have been constituted. All employees of Zila Parishads and Panchayat Samitis belong to these services. The recruitment is made by divisional and district selection boards and the salaries and other conditions of service are regulated by rules. In Madras, the Executive Officers of Town Panchayats and Commissioners of Panchayat Unions belong to the State Service and the Government has power to constitute any other class of employees into a separate service for the whole or any part of the State. In Rajasthan, a Panchayati Raj Service Commission at State level has been set up and recruitment to services is made by a Committee at District Level presided over by a Member of this Commission.

In Andhra Pradesh, the staff working in the Panchayati Raj Institutions have been classified into three cadres *viz*.. the State cadre, the District cadre and the Block cadre. Recruitment to the State cadre is done by the State Public Service Commission or by promotion of departmental candidates. Recruitment to the District cadre is done by a Selection Committee at the District level consisting of the Chairman of the Zila Parishad, the Collector and some non-official members. Recruitment to the Block cadre is done by the President of the Panchayat Samiti. In the State cadre, the powers of appointment, etc., have been entirely vested in the State Government. For the district cadre, the Chairman of the Zila Parishad and the Presidents of the Panchayat Samitis have been declared as the appointing authority from out of approved panels. The Chairman and the Presidents have also been given powers of transferring persons within the specified zones.

In Gujarat a Panchayat Service has been created and the State Government allocates a certain number of gazetted and non-gazetted officers to it. It is ensured by legislation that the conditions of service of officers transferred to the Panchayat Service are not less favourable than those applicable to them immediately before allocation. To certain classes of posts recruitment is made by the Gujarat Panchayat Service Selection Board and to others by the District Panchayat

Service Selection Committee. Punjab, Orissa and Uttar Pradesh have also taken action to create transferrable cadres.

No detailed information is available as to how these cadres created in various states have fared and what kind of practical difficulties have been encountered. We may, however, make one or two comments about Maharashtra and Rajasthan. Maharashtra (and Gujarat too) is not a case of constitution of local civil service personnel *ab initio* or from a single source but is a case where some government cadres, erstwhile District Board cadres and the new Panchayati Raj cadres have been fused into new cadres. Though care has been taken in the legislation to sort out the service problems arising out of such fusion, it is not clear whether any major problem has arisen in implementation.

As regards Rajasthan, however, some information is available. A case study of Panchayati Raj in Rajasthan conducted in Jaipur District[19] has suggested that to improve the morale of the public services, the services belonging to the Panchayati Raj institutions may be organized at the state level instead of district level. The 'distinct' advantages in such a step envisaged by the study are : (1) There will be more avenues of promotion than now available; (2) Chances of harassment would be minimized because of transferability; (3) Panchayati Raj services are today attracting persons of inferior calibre; (4) There will be incentive for really good and efficient performance. The study goes on to add that it will be possible to safeguard against the danger of the bureaucratic element 'by leaving complete administrative control over the employees by way of keeping their service record, making entries therein, recommending their promotions, transfer, etc., in the hands of non-official political chiefs *who would naturally exercise this power on the advice of the Block Development Officer.*[20] What the study thus seems to finally suggest is some kind of a half-measure born out of dissatisfaction with the present set-up. It would be worthwhile to examine the issues involved in some more detail before making any change.

Our survey of the Panchayati Raj Civil Service in various states would thus only confirm our earlier general observation that we have to proceed in the matter with a measure of care, caution and pragmatism.[21]

[19] M. V. Mathur et al., *Panchayati Raj in Rajasthan, a Case Study in Jaipur District*, New Delhi, Impex India, 1966, pp. 273-4.

[20] *Ibid*, p. 274, Italics mine.

[21] cf. "The question of a Panchayat Civil Service has been considered. Various kinds of experiments are being made in different parts of the country. It would be wise to await the results of these experiments, before the general pattern of such a service might be designed with confidence." Jaya Prakash Narain, Presidential Address in Seminar on "Fundamental Problems of Panchayati Raj" (All India Panchayat Parishad, 1964) pp. 41-42.

Before we leave the subject, however, we may touch upon one or two other staff problems in Panchayati Raj which deserve mention. Firstly, many of the personnel would have to work in rural areas, even though they may be recruited from urban areas. Here the problem of psychological adjustment and reorientation of attitudes as well as the problem of minimum facilities is involved. It would be wrong to expect that all the people who applied for posts in Panchayati Raj institutions would be imbued with a high sense of idealism to serve in rural areas. If the Government does not try to ensure the provision of minimum facilities in rural areas or to compensate them monetarily the turnover of personnel will be high and we will also get a system of non-resident employees.

One other general problem that may be mentioned in this connection is that even in Panchayati Raj institutions there are panchayats for urban areas which have not yet become municipalities. Here the conditions and problems are similar to a municipal area. It is necessary to ensure that people who are posted as Chief Executive Officers of such towns have sufficient status and equipment to deal with the problems of growing urban areas. State Governments do not appear to have paid enough attention to this problem. Ill-paid, ill-equipped executive officers can hardly be expected to contribute to the smooth transition of the urban panchayat into a well administered municipality.

At the level of panchayats one crucial decision is to be taken, namely, what type of panchayat secretary we should have. A panchayat secretary is necessary for a village panchayat and there are various modes of appointing secretaries like part-time, full-time or one for a group of villages. A clear decision is urgently needed in a number of States and this would involve considerable financial commitments later. If there were full time secretaries in every panchayat in each State (for which the Study Team on Panchayati Raj Finances recommended a central subsidy) then we will have a huge cadre of panchayat secretaries for whom reasonable avenues for promotion will have to be worked out. A district service will be more feasible when there are such a large number of employees.[22]

IV

With this very brief survey of the position in India, we come to the question where and how the future line of action lies. What we

[22] For details on the present position of Panchayat Secretaries, see statements 7.1 and 7.2 of *Panchayati Raj at a Glance*, Government of India, Ministry of Community Development and Co-operation.

have said above should make it clear that provincialization is not a mere administrative refinement but one which could make a far-reaching impact on local administration. It should also be clear that it is to be approached not on any doctrinnaire lines but with reference to the actual position obtaining in each State. As we have suggested above, the personnel system has to be a 'mix' of the various types possible and it is not as if all cadres should be immediately provincialized in all local bodies. What is necessary is that some one should sit down and sort out the posts for which provincialization is desirable and feasible. As we have remarked already, the reason why the problems relating to the creation of local civil service cadres have not received adequate recognition at the hands of governments is not so much because of any policy decision on the part of Governments or because of consistent opposition by non-officials.

We should remember that local government is apt to be a neglected field of public administration and the problems of creation of a local civil service are a comparatively dull and uninspiring matter for many administrators and politicians. It does not appear to be the case that non-officials will be completely against provincialization because they will also realize that there must be a way out for getting rid of persons whom they do not like. Even the complexion of the local bodies may change from time to time and members subscribing to different parties and ideologies may come in position. In such a changing situation there is no alternative to provincialization if the administration is to be carried on smoothly.

Again, it is not as if with the loss of power to appoint a person to a post, the non-official loses complete control over any individual. He does certainly lose his power of patronage and there is no doubt about it. But he still has a measure of control and power to extract work from the official concerned, and he has access to the Ministers and to the Government if the official refuses to co-operate. Such being the situation, it is not as if any official will completely ignore the non-officials after provincialization.

One other point which has to be borne in mind in the creation of cadres of local civil service personnel is that in many States and in respect of many posts there are already men in position. Problems will then arise regarding integration, fixation of seniority, the proportion of direct recruitment and so on. These will have to be sorted out.

The common steps which the State Governments can take on the

municipal side are to review the existing provisions in statutes relating to local civil service personnel, investigate into the conditions of services and the types of posts and then select categories of posts in respect of which creation of cadres is desirable and feasible. No elaborate staff will be necessary for this exercise. A section in the Secretariat consisting of a few Assistants and a Superintendent will be able to do it in a period of three to six months. As regards Panchayati Raj institutions, the first step for the State Governments would be to review the staffing pattern itself and then take up the question of creation of cadres at the level of Panchayat Samitis and Zila Parishads and after reasonable experience come down to the level of the Panchayats. Where cadres have already been created their working can be usefully reviewed.

"Civic progress all over the world is moving in the direction of what may be called Municipal Socialism."

—SUBHASH CHANDRA BOSE

URBANIZATION AND URBAN ADMINISTRATION IN EGYPT

Prabhu Datta Sharma

EGYPT is a country with more than twenty-six million inhabitants crowded into the narrow alluvial valley bordering the Nile, and into the wider, but cirumscribed fan of the Delta. In geographic dimensions the country measures approximately 900 miles from north to south, and approximately 750 miles from east to west. Although Egypt is as large as the area of Minnesota, Wisconsin, Michigan, Iowa, North and South Dakota combined, only 3·5 per cent of its 386,000 m^2 or 9,200 m^2 of this area is arable land. The remainder consists of arid desert, swamps and barren mountains. Its climate is of the dry, tropical and subtropical desert type.

In terms of modern industrial power, only 3 per cent of the population is effective. As one observer noted, "... Egypt is like a ship with 30 men at the oars, only one of whom is really rowing. The rest represent a dead weight in the present...."[1]

The annual population growth is approximately 3 per cent, one of the highest in the world. On the basis of these observations, it is not surprising to find Egypt as an example *par excellence* of an over-urbanized country.[2] For example, in 1950, when only 13 per cent of the world's population, and only 9 per cent of the population in under-industrialized regions lived in cities of 100,000 or more, the figure for Egypt was approximately 25 per cent! Census figures for 1960 reveal that 37·1 per cent of the population lived in urban localities of 20,000 or more inhabitants. As a consequence, the pace of urban growth has far exceeded that of economic development, as well as employment opportunities in the cities.

In countries not caught in the squeeze between limited arable land, and a rapidly expanding population, part of the inhabitants can move to more sparsely settled areas, but in Egypt, the agricultural

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[1] William Polk, "The Nature of Modernization : The Middle East and North Africa", *Foreign Affairs*, Vol. 44, October 1965, pp. 100-110.

[2] For example, *see* Kingsley Davis and Hilda Golden, "Urbanization and the Development of Pre-Industrial Areas", *Economic Development and Cultural Change*, October 1954, pp. 6-26; also Table I and Table II.

frontier is closed. Various land-reclamation projects, and notably the Aswan Dam are attempts to reopen and to reclaim this frontier.

Migration to urban areas in Egypt can be attributed chiefly to economic reasons. In general, there is a lack of rural employment opportunities; there is population pressure on the land; modernization of agriculture and land-reform measures bring surplus labour into cities in the absence of alternative sources of employment in the rural areas; stagnation of small and medium traditional towns through movement of population to the large modern cities; and due to the impact of single disasters.[8]

Coupled with such immediate causes are all those factors which are normally associated with the "lure of the city", and with the aspirations of the citizens for a better life. Specifically, the availability of better employment opportunities and higher salaries in the cities, especially through the relatively easy absorption of the rural unskilled labour in construction projects; higher living standards of the city; the existence of educational institutions such as universities, institutes of higher training, technical and secondary educational facilities; as well as greater opportunities for social improvement and higher level of services and amenities in urban areas. This aspect of urban life is especially appealing to those rural people who were exposed to it while working in military camps during World War II.

The efforts of rapid urban growth as experienced in Egypt are, indeed, formidable, although not uncommon among developing countries. Experience indicates that urbanization in developing countries has usually led to mass migration from the rural areas, with heavy concentration in large cities, but especially in national capitals. Resultant problems of urban development are more complex where society is changing from a subsistence to a money economy, from family to national loyalties, or from traditional forms of political life and administration to modern ones. Moreover, urbanization usually proceeds at a greater rate than services can be provided to meet the essential needs of the inhabitants. And, where human and material resources are inadequate to deal with the ensuing problems, it is

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[8] In a study conducted in Egypt on the motivation for rural to urban migration, it was found that a recurring theme was the precipitating force of a single disaster. Many rural persons had moved to Cairo from the Delta because "a final straw" pushed the family over the border from sub-subsistence living to no living at all, *i.e.*, death of the patriarch which led to further land-ownership fragmentation, the loss of a lease, rent foreclosure, the death of a water buffalo, etc.

difficult to decide how far these limited resources should be allocated to meet conflicting demands.[4]

The capital city, Cairo, alone contains one-eighth of the country's total population, and more than a third of its urban population. Cairo is not only the national capital and the primate city of Egypt, but it is functionally, if not officially, also the regional capital of the entire Middle East. Together with Alexandria, the two cities have a virtual monopoly over the non-agrarian economy. According to 1954 Inventory of Industrial Establishments, almost 60 per cent of trading firms, 72 per cent of the brokerage firms, 52 per cent of the warehousing companies, 45 per cent of the banking establishments, and 47 per cent of the transport companies were located either in Cairo or Alexandria. Almost half of the kilowatt capacity in the country is found in Cairo, with 15 per cent in Alexandria. Close to 40 per cent of the total value added by manufacture for the country as a whole is "added" in the two cities. More than half of all telephones in the country is found in Cairo, and 21 per cent in Alexandria.[5]

Urban growth in Egypt occurred relatively suddenly through unplanned migrations of people shortly after World War II. Urban areas were ill-prepared to receive and accommodate the migrants, who consequently settled in today's slums, the *bidonvilles*, or *sarifas*. Generally speaking, rural migrants were in poor state of health and education, lacked training, knowledge and the outlook to adapt to city life. Furthermore, they either tended, or were forced by circumstances to live either in already over-crowded and old buildings, or various types of temporary dwellings which usually lacked the most basic public services. Hospitals, educational institutions and transportation facilities were over-crowded; traffic and security problems became increasingly more complex. Wages and salaries were generally also inadequate for living requirements due to increasing prices, especially for food and housing. As a result of increased demands Egypt has also experienced not only a notable decline in the quality of public services, but also in the production and manufacture of consumer goods.

Egyptian government officials[6] further point out that the number of projects undertaken had shown a marked increase not only to satisfy

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[4] *See* United Nations, Department of Economic and Social Affairs, *Administrative Problems of Rapid Urban Growth in the Arab States*, New York, 1964, p. 3.

[5] Janet L. Abu-Lughod, "Urbanization in Egypt : Present State and Future Prospects" *Economic Development and Cultural Change*, Vol. 13, April 1965, pp. 313-343.

[6] Kamen Mazen and Mohammed Fathi Shamsy, "Administrative Problems of Rapid Urban Growth in the United Arab Republic" in United Nations, Department of Economic and Social Affairs, *Administrative Problems of Rapid Urban Growth in the Arab States*, New York, 1964, p. 144.

the greater demand for them, but also because of a general lack of coordination among the various government agencies. The increased number of projects in turn precipitated a shortage of qualified administrators as well as technicians, so that ". . . persons were employed who lacked proper training for their posts."[7] Furthermore, many projects were undertaken without precise planning and research and executed without priority assignments.

To meet these problems, Egypt, as other developing countries, is attempting to improve the framework of urban administration. It has embarked on such projects as creating a better organization of municipal administration, and in developing the management skills at all levels. Planning and research programmes are being started, and expanded, and staff services on the municipal level.

Of greatest significance, however, is the attempt on the part of the government to change the traditional attitude of the population; mainly that the central government will provide the initiative, planning, and execution of urban projects. Instead, it is attempting to secure the interest and participation of local people in solving their own local problems.

HISTORY OF LOCAL GOVERNMENT

It is extremely difficult to speak of the history of Egyptian local government, as its existence is traceable only to relatively modern times. This phenomenon can be largely explained by the fact that Egypt has been from the days of the Pharoes, and continues to be to this date, a centralized state. Of course, similarities between the present administrative system and that of Ancient Egypt do not establish a direct link between the two, as a number of factors have intervened in the transition. However, the role of local government can be better understood by examining it from an historic perspective.

Egypt is a country with a long history, which dates back to more than 10,000 years when man began to settle in the Nile Valley. It flourished for 27 centuries under the Pharoes from the Fourth Millenium B.C. up to the Persian conquest in 434 B.C. Its antiquity can be better appreciated when one considers that Egypt was already a great nation some 900 years before Moses led the Israelites out of bondage, and when the seven hills of Rome were still settled by

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[7] *Ibid.*, p. 145.

shepherds. The Greeks and the Romans of 2,000 years ago viewed Egypt with similar awe and admiration as modern man.

Of the several factors responsible for the early centralization of government, at least two warrant our attention. The first is traceable to the river Nile. "Father Nile", as Egyptian affectionately refer to it, has from the earliest times served not only as an excellent means of communication and transportation, but as a result of this, the river also served as a unifying agent among the river settlements. In fact, Herodotus observed that Egypt is the gift of the Nile. In addition, however, the Nile also played two extreme roles. On the one hand, it was the "provider"—as without the Nile, Egypt would be without arable land, and consequently without bread. On the other hand, it also became every summer the people's greatest enemy. For three months the river over-flows its banks, and in Cairo the differences between the highest and the lowest water levels is approximately 26 inches. Even the tax structure of ancient Egypt depended on the high water mark. The Latin writer Pliny wrote, "At 12 cubits—hunger; at 13—sufficiency; at 14—joy; at 15—security; at 16—abundance."[8] The resultant need for flood control required direction, coordination and cooperation by the population—functions, which lend themselves ideally to a centralized government[9].

A second factor underlying early centralization of government concerns Egypt's geographic setting. Unlike the early civilization of Mesopotamia, which developed on the open and defenceless plain—and which eventually perished as a consequence of its defenceless topography, the desert barriers girding Egypt discouraged foreign invasions.

In the absence of external threats, government under the Pharoes was enabled to develop and consolidate an increasing measure of power over the inhabitants, and build a dominant and enduring state in the Nile Valley.

As a result, Egypt under the Pharoes developed not only a highly centralized state, but also a well-developed professional bureaucracy. And, although the country was based on a subsistence economy, the civil service of the New Kingdom (1567 to 1085 B.C.), was, according to Max Weber, "the historical model of all later bureaucracies."[10]

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[8] Herman Ziock. *Guide to Egypt*, Cairo, Lehnert and Landrock, 1956, p. 44.

[9] Morroe Berger, *Bureaucracy and Society in Modern Egypt. A Study of the Higher Civil Service*, Princeton, Princeton University Press, 1957, p. 19.

[10] Max Weber, "Bureaucracy," in *From Max Weber*, H. H. Gerth and C. Wright Mills (Translator and Editors), New York, Oxford University Press 1946, p. 204.

All power was vested in the Pharoe, who was cast in the dual role of god and king. He sat at the apex of society. Supporting him were the high officers who were delegated certain powers. In the lowest tier of society existed the workers and peasants.

Delegated authority from the Pharoe consisted of civil administration, administration of temples, and the administration of the professional army.[11] The *Vizier* was responsible for civil administration, and the high priests for the temples. The most important post was that of the *Vizier*, who, as, chief officer of the state under the Pharoe supervized the movement of food and building stones up and down the Nile, and served as overseer of all public works. Among his many titles, he was "sole companion to the king", "overseer of the fields, the garden, the cows, the serfs, the peasant farmers and the granaries," etc. Directly under the *Vizier* were the governors of 40 provinces, who were delegated considerable administrative authority.

The long and awesome rule of the Pharoes ended with the arrival of Alexander the Great in 434 B.C. Up to the time of the Arab-Islamic conquest in 642 A.D., Egypt underwent a fundamental change in culture, language and religion as a result of the Greek, Christian, Roman, and later Byzantine influences. The most significant influence for contemporary Egypt, however, resulted from the Arab conquest, which endured some 900 years, and which transformed Egypt into an Arab country language as well as in religion. The new administrative system was characterized by political absolutism based on religious doctrine, which suppressed political initiative, and, as a consequence, political life in general.[12] The new rulers retained much of the Byzantine administrative system they found in Egypt, and re-introduced a degree of the old centralization that one historian has called "almost excessive".[13] It is probably at this point that Egypt felt the power of influence whose traces may still be seen in the present government...(because) from then on the country was ruled by Islamic regimes with varying degrees of non-Egyptian loyalty until, several hundred years later, much of the administration was in the hands of a special class recruited from abroad by the Mameluke sultans."[14]

This Arab Empire fell early in the 16th century to that of the Ottoman Empire ruled from Constantinople. The key-note of this

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[11] Instituted in the 18th Dynasty, 1567-1320 B.C.

[12] H. A. R. Gibb and Harold Bowen, *Islamic Society and the West*, Vol. I, London, Oxford University Press, 1950, pp. 26-30.

[13] Berger, *op, cit.*, p. 20.

[14] Berger, *loc. cit.*

political administration was conservatism and the perpetuation of the *status quo*. According to two scholars[15], intercourse between the rulers and the ruled was almost non-existent except for the exercise of force. The Sultan at Constantinople was concerned only with the annual tribute paid to him. Cynicism in the former was given free region by apathy in the latter. "The population grew to expect that authority meant not ony legitimate power but also a display of harshness and violence; it accepted authority as a form of special privilege, not merely as a form of defined power."[16]

Society had very few virtues. Its economy was not only stagnant but actually retrogressing. Its politics were characterized by venality, rapacity, insecurity and oppression. Its intellectual and artistic life was barren. Worst of all, it lived in a smug, self-satisfied lethargy, completely isolated from the outside world.[17] An Egyptian ruler, the Viceroy of the Turkish Sultan, is reportedly has confided that he had only two motives to call upon in ruling the Egyptians. "They are indeed only hope and fear; and as (I) can hold out hope only to a few, but fear to all, fear is (my) principal instrument."[18]

Napoleon invaded Egypt in 1798, which made a far greater impression on the country than his brief three-year occupation would normally suggest. He brought with him not only scientists in various scientific fields, the printing press, etc., but he also brought with him the banner of nationalism. Napoleon proclaimed that :

> "All Egyptians shall be called upon to manage all posts; the wisest, the most learned, the most virtuous shall govern, and the people shall be happy."[19]

Under him birth registration was started, and public utilities were modernized.

For the duration of the French occupation, Napoleon staffed the provinces with French military governors, who were aided by a national council of seven. The latter appointed two to superintend the police, three to control the markets, and three to remain in attendance on the governor. The councils were purely in attendance on the governor. The councils were purely advisory bodies, required to swear loyalty to France.

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[15] Gibb and Bowen, *op. cit.*, 205, 207.

[16] Berger, *op. cit.*, pp. 20-21.

[17] Philip K. Hitti, *History of the Arabs*, London, Macmillan, 1960.

[18] Berger, *loc. cit.*

[19] Berger, *loc cit.*

In keeping with his promise to employ Egyptians in all administrative posts, Napoleon proposed to his council that they select Egyptians to control the police and to supervise the markets. The sheiks retorted, however, that only the Memlukes and Turks were capable of inspiring fear and respect, and obedience of the people. Napoleon had to agree, and consequently Turks were appointed to the posts.[20]

The structure and organization of government became patterned after that of France. For the *Department*, *Arrondissement*, *Canton* and *Commune*, the Egyptian counterparts *Mudiriyyah*, *Merkaz*, *Quism*, and the village were instituted. As a result of the reform in 1826, the administrative hierarchy consisted of the *Mudir* (Prefect), *Mamur* (Sub-Prefect), and *Sheikh Al Balad* or Umda (Mayor).

Upon the forced withdrawal of the French, an Albanian, Muhammed Ali, although representing the Turkish Sultan, pursued an independent policy for Egypt. He sought to transform the country from a rural to an industrial society, creating a state controlled economy and a modern military establishment. His administrative organization consisted of a council, which studied all matters, and decided by majority vote. And, while he wanted expert advice, he shared none of his policy and administrative control functions. He trained Egyptians at home and abroad, but drew heavily from foreigners such as the Turks and Copts to fill the higher administrative posts. The reason for this is partly explained by a former official under Mohammed Ali. He made the observation in 1856, that of the many Egyptians trained for high offices :

> "... not one distinguished himself in after life. They all have sunk into obscurity. To a certain extent this may be attributed to the compact phalanx of the Turks who defend all public employments against all intruders; but I attribute it in part to the langour and apathy produced by twenty centuries of oppression."[21]

The basic features of French Administration took root in Egypt, despite the English occupation in 1883. There are at least two discernible reasons for this. First, the English felt that it was easier to rule through existing governmental structures, and secondly, the hierarchical and centralized elements characteristic of the French model were analogus to those developed by the English in India.[22]

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[20] Mohamed Riffat, *The Awakening of Modern Egypt*, London, 1947, p. 8.

[21] Nassau William Sr., *Conversations and Journals in Egypt and Malta* (Edited by his daughter, M. Com. Simpson), Vol. I, London, Sampson, Low, Marston, Learle, and Rivington, 1882, pp. 251-252.

[22] W. H. Wickwar, "Pattern and Problems of Social Administration in the Middle East", *The Middle East Journal*, Vol. XII, Summer 1958, p. 252.

The English did, however, create posts of "Provincial Inspectors" to oversee the *Mudirs*, and staffed them with their own personnel. The creation of the posts weakened the authority of the *Mudirs*, which in turn created rivalry and antagonism between the Inspectors and *Mudirs* at the expense of the local administrative system.

The structure of government under British occupation consisted of :

Mudiriyya, or Department, or province, headed by *Mudir*, *or* governor

Markaz, or the equivalent of *Arrondissment*, or district, headed by a Mamur, or district governor or administrator

Quism, or the equivalent of *Canton* or *Commune*, village, or rural council chairman

The *Markaz* was divided into sub-police stations or outposts in the more distant parts of the district, while the *Mudiriyya* consisted of several hundred villages.

It was the *Umda* system that formed the basic foundation of village organization. Appointed and dismissed by a commission presided over by the *Mudir*, consisting of the local chief of the *Praquet* (public prosecutor), three elected notables and the Inspector of the Interior. According to one student, "a good *Umda* meant good village life, and administration and a contented people, whereas a bad one meant crime, trouble, and constant friction."[23] He was the head of the village and had a number of government assigned duties. He was non-salaried, but among other things, he enjoyed such benefits as exemption from taxation, and his sons were exempt from military conscription. He was also vested with certain judicial powers requiring his signature and seal, especially in all legal and financial affairs. Assisting him with matters relating to public security, was the chief watchman, or *Sheikh al Ghafar*, in charge of 10 to 12 armed watchmen (*Ghafirs*), who stood guard all night and were free to work all day on their own account.

Villages along the Nile had another non-salaried official, the ferryman who was paid in kind by the passengers. Most often, however, he was paid with produce like the sheikh of the village mosque,

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[23] Thomas Russell, *Egyptian Service*, 1902-1946, London, 1949, p. 46.

who makes his big collection at harvest time when he goes round the threshing floors and collects a basket of wheat from every owner.[24]

Every *Mudiriyya* and its staff carried out the work of its components. And, in case of emergencies and difficulties, every administration was bound to come to the aid of all levels of administrative officials from the governor on down to the mayor.

> "If the Nile flood was dangerous we helped to see that the breakwaters were in their places, in times of chole or bubonic plague we helped to inspect the sanitary cordons, outbreaks of cotton worms saw us tramping through the fields to see if the leaf picking groups are at work, epidemics of cattle plague gave us long days with the veterinary inspectors inoculating the fellahin cattle, and locust visitations found us in the desert organizing armies of labourers to kill growing hoppers. Everyday had something new."[25]

The system described above exists to a large extent in some rural areas even today.

CONTEMPORARY LOCAL ADMINISTRATION

The existing system of local government and administration in Egypt was grafted from the French system characterized by the dominance of national government extending to the village level; and from the British system, which placed great importance on locally elected councils in the administration of local affairs. Egyptian local government and administration is, in every sense of the word, an integral part of the central government. And, since Egypt is a unitary state, local government is an instrument of the central government subject to its policies and directives. Parliament enacts general legislation, and is responsible for prescribing the structure of local government, supplemented by regulations issued by the national ministries. All organs of government are made responsible for local administration; the president, parliament, the ministries, the council of ministers, and the courts.

The present local administrative system of the United Arab Republic is based on Law 124 of 1960, with Amendments 151 of 1961, Law 54 of 1963, and Law 65 of 1964. Two basic reasons prompted

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[24] Raymond N. Habibi, *Local Government in Egypt* (unpublished Master's thesis, Minneapolis, The University of Minnesota, 1962.)
[25] Russell, *op. cit.*, p. 41.

the adoption of the present system. First, was the inability of the central government to cope with the rapid population increase in general, and with the rising urban population in particular. Second, it was hoped that participation of the people in government at the local level would promote community welfare, and citizenship.[26]

There was also a conviction on the part of certain public administrators and jurists that the centralized system and expanding government organization with its slowness to act, and traditional inefficiency were to blame for much of the country's ills. What the critics advocated, however, was not decentralization of power, but rather, "deconcentration".[27]

It was generally felt that for as long as central government was unable to handle the problems of the provinces whether small or big, then deconcentration of authority was the only recourse. Egypt's system of local government is, therefore, merely administration from the top, with representation from below.

THE LOCAL ADMINISTRATIVE SYSTEM

Law 124 of 1960, provides for the administrative subdivision of Egypt into Governorates, Cities, and Villages, each enjoying legal status. Boundaries of Governorates are determined by Presidential decision, those of Cities by Ministerial decision, and those of the Villages by decision of the Governor. The five largest cities; Cairo, Alexandria, Islamiliya, Suez, and Port Said enjoy Governorate status. In 1963, the administrative sub-division of Egypt consisted of :

24 Governorates

134 City Councils[28]

955 Village and Rural Councils[29]

The Ministry of Local Administration

This body is an inter-ministerial committee on local administration coordinating various local activities of the various technical

[26] Herald F. Alderfer, M. Fathalla El Khatib, Moustafa Ahmed Fahmy, *Local Government in the United Arab Republic*, 1964, Cairo, Al Shaab Printing House, 1965, p. 5.

[27] Osman Khalil Osman, *Decentralization and the System of Mudiriya Councils in Egypt*, Cairo, 1948, pp. 23-28.

[28] In 1963, all cities and villages had not yet organized under Law 124. The actual number of cities was 136, and villages 4,222. A number of the Rural Councils actually represent more than one village.

[29] A Governorate Council can be limited to the boundaries of one city such as Cairo and Alexandria, or comprise a number of cities, towns and villages. A Town Council is limited to the boundaries of the town, while a Village Council may represent one village, or a group of villages.

ministries, and harmonizing governorate budgets within the limits prescribed by the Ministry of Finance. The chairman is the Minister of Local Administration, who is assisted by two under-secretaries, one being responsible for four administrative departments, the other for five programme departments. Specifically, the former deals with :

(1) Finance and administration of the ministry.

(2) Inspection of finances and administration of local units.

(3) Budget.

(4) Personnel.

The latter is responsible for :

(1) Planning and research.

(2) Statistics, training and organization.

(3) Follow-up and evaluation of councils, and technical inspection of specific developments.

(4) Local councils, with responsibility for their administrative and legal guidance and review of their activities.

(5) Legal affairs.

The Office of the Governor

Appointed and subject to removal by the President of the Republic, the Governor is the most important official in the Governorate. He represents the Executive authority in his jurisdiction by, among other things, having the power to appoint the *ex-officio* members of Town and Village Councils after receipt of the list of candidates from the representatives of the various ministries on the Governorate Council. He is directly responsible to the Minister of Interior on matters involving state security, and to the Minister of Local Administration on matters relating to local government. Ministers of other ministries may delegate to him certain powers relative to the execution of certain projects in the Governorate.

As the representative of every minister, and of the government as a whole, he has full control over central government employees in the Governorate, except over judges and serves as their local chief. This includes employees of ministries which have not transferred their powers to local councils. The Governor also appoints all minor civil servants in the Governorate.

Decisions reached in Town and Village/Rural Councils are subject to his review, and certain decisions are subject to his approval. In addition, he presides over the Governorate Council, of which more will be said below.

In short, the Governor, or *Muhafez*, is both an agent of the State, as well as the chief executive of the governorate and its component administrative units, resembling the office of the *Prefect* under the French system.

In the case of the five city governorates, the governor is similarly the chief administrator. He is assisted by councils composed of elected, appointed, and *ex-officio* members.

The Governorate Council

The composition of this body consists of

(1) elected members, who are also members of the Arab Socialist Union, and elected to committees of the party within the Governorate;

(2) appointed officials of the Arab Socialist Union, selected by central authority;

(3) *ex-officio* members representing the ministries with personnel in the Governorate.

The law provides that 3 to 5 persons of special skills may be added to the Council so that it may benefit from their skills.

According to law, elected members are always to constitute the majority of the membership. The National Charter further declares that farmers and workers constitute at least half of the membership of the Council. In 1963, there were a total of 1,078 Governorate Councilmen; 591 elected, 171 appointed, and 316 *ex-officio*.

Governorate Councils by law supervise the Town and Village/ Rural Council in their respective governorates. Inasmuch as some towns and villages have not organized their own councils, however, the Governorate Council is authorized to act on their behalf and undertake certain projects. They may also administer towns and villages with lax, or impotent local authorities.

An interesting institution provided for better communication and cooperation between the Governorate and local councils is the annual congress composed of all Governorate Council members, and of the chairmen of Town and Village/Rural Council members. The congress discusses mutual problems and offers possible solutions which are conveyed to central authorities through the governor, who acts as liaison between central and local government.

The powers and functions of the Governorate Council are not specific, but general, overlapping those delegated to Town and Village/Rural Councils.

Town and Village/Rural Councils

Membership of this council consists also of elected, appointed, and *ex-officio* members. The *ex-officio* members are appointed by the governor upon recommendation by the *ex-officio* members of the Governorate Council. The Minister of Local Government is also authorised to add additional *ex-officio* members.

Elected members must be members of the Arab Socialist Union Party, as in the case of the Governorate Councils. And, similarly, active party members are appointed in consideration of their special abilities and skills in order to benefit the council.

The chairman of the Town Council is appointed by the President of the Republic upon the recommendation of the governor, and without regard to official status, whereas the chairman of the Village/Rural Council is appointed by order of the Minister of Local Government, upon the recommendation by the governor, and certification by the Party. Chairmen may be appointed from the ranks of elected, appointed, or *ex-officio* council members.

Resort towns, and others of special importance may be appointed special councils by order of the President of the Republic. Towns may also be sub-divided into *communes*, or districts, each with a subsidiary council.[30]

Delegated powers of Town and Village/Rural Councils are broad in scope, but heavily controlled by higher echelons. The councils are empowered, however, to prepare their own budgets, control their

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[30] United Nations Technical Assistance Programme, *Administrative Problems of Rapid Urban Growth in the Arab States*, (New York : United Nations, 1964), p. 147.

revenue collections, and to voice their decisions on matters requested by higher authorities.

In 1963, there were a total of 3,906 Town Councilmen, of which 2,520 were elected, 630 appointed, and 756 *ex-officio*. The Village/Rural Councilmen numbered 10,527: 6,207 elected, 800 appointed, and 3,520 *ex-officios*.[31]

The Apportionment of National Delegated Authority

Delegated authority to the three levels of local government falls into eight categories, which are not mutually exclusive. These areas consist of Education, Public Health, Public Utilities and Housing, Labour, Agriculture, Food Supply, Communications, and Cooperative Projects.

Education

Higher education is in the hands of the central government. The Governorate Councils administer primary, preparatory, and secondary schools as well as general and technical colleges preparing primary school teachers. Towns councils are responsible for primary and preparatory schools, both general and technical. Village and Rural Councils administer primary schools only.

Public Health

Governorate Councils administer hospitals giving general and specialized care, dissemination of hygiene, medical commissions and stores. Town Councils are responsible for district hospitals, child welfare centres, school health programmes and medical units of schools and health offices. Rural and Village Councils operate village hospitals, dispensaries and endemic disease units.

Public Utilities and Housing

Governorate Councils are responsible for planning and studying existing, and needed public services and utilities. The Town and Village/Rural Councils are engaged in such endeavours as gas and water services, electricity, roads and parks, sewage disposal, transportation, housing and establishing industry. The degree of their involvement, of course, depends to a great extent on the limit of their financial resources.

Labour

The Governorate Councils supervise unions and insure that they adhere to national policies. Town as well as Village/Rural Councils are responsible for supervising employment in general.

Agriculture

Law 124 of 1960, and succeeding amendments are silent on this subject.

Food Supply

This area is the responsibility of the central government. Governorate Councils, are, however, authorized to "ensure a fair distribution" of food supplies within their own governorates.

Communications

The maintenance and construction of roads, highways, bridges, etc., as in the realm of Governorate Council authority. It provides the Ministry of Communications with recommendations relating to river ports. In addition, the council is also responsible for constructing and furnishing postal branches.

Cooperative Projects

All levels of local councils are responsible for encouraging the cooperative movement as spelled out in the National Development Plans. In addition, they are also responsible for accomplishing their assigned projects under the various Plans, and for such other activities as promoting local industries, encouraging internal tourist travel, providing cooperatives with marketing facilities, organizing local exhibitions, etc.

It should be pointed out that certain decisions of the councils require the sanction of higher authorities, which may ultimately reach the President of the Republic. The President may also dissolve local councils upon the recommendations of the Minister of Local Government, who must have the concurrence of the Party. He may not dissolve all councils by decree, however, nor dissolve a council twice for the same reason.

LOCAL GOVERNMENT FINANCES

Local councils are required by law to maintain their own budgets, and for submitting them to the Governorate Council for incorporation into a final comprehensive budget for the governorate as a whole.

Governorate revenues originate from three main sources. First, each receives financial assistance from the central government in the form of grants-in-aid. The second source consists of "common" revenues, which is a share in additional taxes on imports and exports up to 3 per cent of the original amount of the duties, and in the duties of the additional tax non-transferrable securities. The third source is what is termed "special" revenues, consisting of one-fourth of the taxes imposed on agricultural properties in the governorate; fees on cars and other licensed vehicles; revenues derived from public utilities in the governorate, half of the sale price of government lands and buildings in the governorate, non-governmental donations, etc.

Town Councils derive revenues from such sources as taxes on buildings, 75 per cent of taxes on land, entertainment taxes, revenues derived from issuing various permits and licenses such as for hunting, mining, quarrying, birth certificates, etc., and income from municipal property and investment.

Local councils can also, with the approval of the Ministry of Local Administration borrow up to 10 per cent of their annual budgets; up to 20 per cent with the approval of the National Committee on Local Administration, and above 100 per cent with the approval of the President. If sufficient funds are not available from the Government, they may, with Government approval resort to loans from banks, insurance companies, or even foreign sources.

Governorate Councils are required by law to filter revenues down to Town and Village/Rural Councils within their jurisdiction to the extent of "each in accordance with its needs".

Inasmuch as private industry in Egypt has been nationalized since 1952, local councils are without a major source of revenue, as under existing laws, corporations, even if wholly within a governorate are immune to local taxation.

GOVERNMENT PERSONNEL ADMINISTRATION

The personnel administration of Egypt is based on Law 190 of 1952, which established the national civil service commission. Law

190 was superseded by Law 78 of 1952, and subsequently replaced by Law 158 of later that year. In brief, the recruitment and placement of government workers is delegated to the civil service commission, which is also responsible for executing the provisions of the civil service regulations. According to Morroe Berger,[32] the civil service regulations are much like those of Western countries with certain exceptions. Appointments to most posts are to be made according to the relative score received by the applicant on written and oral examinations. The salaries are based on the work to be performed, and according to published pay structures, not on the qualifications of employees. Promotion is by both merit and seniority, the proportion of each being fixed for the various grades.

State employees of governorates, cities, and villages are considered to constitute one corps in matters of seniority, promotion and transfer. The various ministries may delegate to local councils responsibility for field unit staff personnel. The latter may be transferred from one governorate to another, and from a governorate to the state payrolls after approval by the Minister of Local Administration, and the department having the individual's proposed assignment. Such transfers must also have the concurrence of the governors concerned. Thus, transfers are possible horizontally or vertically without loss in status, such as seniority and promotions.

The local government personnel system in Egypt is still at a period of transition, and available information appears confusing and contradictory in some instances. Handicapped by this limitation, the following information is incomplete, but should, nevertheless, be of value.

Local councils are authorized by law to have their own local employees, who are, however, outside of the national civil service system. They may appoint employees to various local posts, provided that the posts are also outside the sphere of the national civil service system. Local councils may also appoint part-time employees where this is feasible, rather than to over-burden their budgets by having to hire only full-time employees. They are also authorised to determine the filling of vacancies. The actual appointments must be in conformity with supplemental regulations issued by the Central Local Government Committee, in accordance with Article 86 of the Law.

In all matters pertaining to local personnel administration, local councils are required either to follow the established law, or to be

[32] Morroe Berger, *ibid.*, p. 36

guided by the rules, regulations, and laws relating to national civil service employees.

One of the greatest weaknesses of the State civil service is that it does not provide for job descriptions and job codes. According to Berger, this discourages the government official from using his initiative, even if he is able to overcome other powerful deterrents.

> "Since he is not certain where his authority and functions begin and end, the civil servant has one more reason to play everything safely by assuming that responsibility lies elsewhere than upon himself."[33]

URBAN DEVELOPMENT PROGRAMMES AND POLICIES

As we have seen in the previous chapter, the responsibility for planning and execution of development programmes rests with the central government. To be sure, local municipal councils do have a voice in urban development, but they rarely lead in local government, for unfortunately, their powers are not only limited by law, but also by lack of funds, and competent personnel. The need of central government approval for even minor initiative adds further to their impotence.

Generally speaking, chief administrators of towns and cities also cannot be relied upon to pursue imaginative and aggressive urban development programmes because as agents of the State, and holding office at the pleasure of the President, their secondary positions of being mayors are necessarily subordinate to the former. Of equal significance is the fact that, as representatives of central government, their office carries more prestige than that of the mayor.

In theory, as well as in practice, urban development in Egypt is in the hands of the national government.

Up to 1960, whatever urban planning there was, was mostly on the local level. Up to that time urban programmes were based on piecemeal expropriation of property as provided for in the law of *Tanzim*, or Alignments of 1881. And, the first attempt to regulate the planning of residential areas of cities was the Sub-Division Law of 1940. The favourite private investment in most of the cities today is in buildings.

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[33] Berger, *ibid*., p. 36

A report published by the United Nations indicates that most of the plans in Arab States have been inspired too much by transported requirements and too little by the objective of improving the conditions of urban living. In practice, it has also been found that many major details of development either were not shown in master plans, or were contrary to the plans as prepared and filed. Often there are also insufficient facts available on such matters as the type, location, and volume of employment today, and in the future to formulate detailed planning proposals for location of industry and housing.[34] For example, the recommendations included in the Master Plan of Cairo, prepared by the Ministry of Rural and Municipal Affairs and the Cairo Municipality in 1956, set an upper limit to Cairo's population of three million, a figure which, ironically seems to have been exceeded at the very time the report was being written.

According to available evidence, Egypt is to date without a government "white paper" that would verbalize the explicit goals of the present regime with respect to urbanization *per se*. Goals, when stated operationally, are in terms of industrialization, with urbanization merely as an implicit "side effect" whose connection with industrial goals is vaguely perceived.[35]

This being the case, it might be interesting to examine a segment of Egypt's industrialization programme to ascertain to what extent they involve urban areas, and also perhaps to gain an insight as to what degree industrialization affects urbanization.

In the first place, industry in Egypt is nationalized and the assignment of industrial facilities on a nation-wide basis is the responsibility of the Ministry of Industry. The five year plan of industrialization announced in 1959 involving the expenditure of 419 million LE (Egyptian Pounds) for the establishment and continuation of 241 projects will serve as our example or case study. According to the announcement of the 241 projects, 2 were directly related to the Aswan Dam costing 142 million LE, or more than a third of the total allocation. Of the remaining 239 projects, more than half were earmarked for the two super-cities of Cairo and Alexandria, constituting more than half of the remaining allocation. Finally, with the exception of a few textile and food processsing centres, the other cities of Egypt were excluded from the master industrialization plan!

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[34] United Nations Technical Assistance Programme, *op. cit.*, p. 63.

[35] Janet Abu-Lughod, "Urbanization in Egypt : Present State and Future Prospects", *Economic Development and Cultural Change*, Vol. 13, April 1965, p. 342.

In a centralized state such as Egypt, it is not surprising to find government efforts directed towards projects of national importance such as the Aswan Dam. However, historically, one also finds a greater involvement on the part of the central government in the administration of the capital city than in other cities—mostly at the expense of the latter. Responsible for this fact is that the capital is the seat of government, and therefore, it has more national buildings, foreign missions, ministries, etc., than other cities, and therefore, the central government is included to favour and assist the government of Cairo. This in turn has created a concentration of industry, and of various activities which induce people to migrate to the chief city.

It might be useful at this point to review the governmental structure of the Governorate of Cairo which also serves as the model for other cities of Egypt.

OFFICE OF THE GOVERNOR

Director General of Labour.	Director General of Education
Director General of Supply	Director General of Agriculture
Director General of Health	Director General of Culture & Guidance
Director General of Finance	Director General of Social Aflairs & Housing
I Utility Companies	Legal Counsel
II Revenues	Secretary General[36]
III Expenditures	Chief of Cabinet[37]

The remaining 23 governorates follow a similar organizational structure.

[36] Controller, Legal Office of the Municipal Council, Civil Servants and Labourers, Administrative Affairs, Traffic, Fire, Youth, Arab Socialist Union Affairs, Technical, Administrative, Planning and Evaluation and District Councils.

[37] Public relations, information, security and complaints.

In 1961-62, the Cairo Governorate[38] employed personnel in the following areas :

Engineering	329
Public Health	82
Chemists	3
Veterinarians & Sanitary Inspectors	43
Administrative	219
Intermediate Engineering	156
Engineer Helpers	238
Public Health Intermediate	183
Clerks	1,300
Fire Department Officers	25
Fire Fighters	1,120
Construction and Utility Officers	9
Construction and Utility Personnel	805
Traffic Officers	43
Traffic Personnel	1,200
Labourers	975
Total	6,720

In summary, Egypt, insofar as can be determined, does not have a nation-wide plan of urbanization, nor a plan for urban development despite the fact that close to 40 per cent of her population lives in urban areas of 20,000 and more. Since one cannot speak of an Egyptian urbanization programmes, a reveiw of noteworthy projects to date is in order at this point.

Between 1941, and 1954, the central government established some 170 social centres at various villages throughout the country designed to assist them with economic social, cultural, and health problems. Basically, the programme was designed to create an interest in self-help to develop an organization analogous to local government, which would stimulate the villagers to solve their own problems and improve their living conditions. According to official pronouncements, it was also hoped that this might arouse interest in "self-government and democracy at the local level."[39] Each centre was provided with a medical team, agricultural experts, and social welfare

[38] Alderfer, *op. cit.*, p. 9

[39] Alderfer, *et. al.*, *op. cit.*, p 24.

personnel. Participants in the programme were required to pay nominal dues for the services, however. In turn, they elected their own representatives, who shared in the administration of the social centres along with the governmental personnel. To a certain extent, the programme resembled the rural cooperatives found in the United States. In areas without such Centres, rural reform associations were established which were financed by both the central government and private organizations.

Another programme sponsored by the central government to develop ways and means to stimulate rural development was the creation of the Council for Public Welfare Services in 1953. Known as the Combined Units project, its mission is to achieve coordinated decentralization of the various technical ministries for the development of rural areas. In brief, the rural area of Egypt is divided into sections with a population distribution of some 15,000 each, and provided with teams of medical, and agricultural personnel as well as with a school master. Resembling the rural social centres, they operate under the Ministry of Local Administration, but work closely with the Rural Councils and rural social centres, which suggests duplication and overlapping of functions.

Another noteworthy project is the Qualuib Experiment started in 1955. This was an attempt at coordinating public services in the economic, social, health and cultural fields, in a 250 km^2 area outside of Cairo, containing some 250,000 people. Five various public service entities were created to serve 50,000 people each; and each was allowed to develop a system of administration that best served local needs. All entities were autonomous, having their own director, budget, technical, administrative and labour personnel as well as transportation facilities and equipment. And, each was assisted by an advisory board consisting of village representatives, who were given authority commensurate with their increasing willingness and competence to assume responsibility.

Although results of the experiment are not readily available, the present law, which provides for a measure of local autonomy, and which was instituted five years after the experiment began, indicates that the results are favourable.

In 1952, the Institute of Public Administration was established at Cairo, which conducts special courses in local government. The Institute is now in the process of establishing branches in key cities such as Tanta, in an effort to train municipal and governorate

personnel. Training is also being extended to cities and villages, and inservice training is being provided for personnel at all levels.

Egyptian development programmes and policies, as we have seen, are planned by the central government, and executed under its supervision by both central and local government personnel. Development priorities are the completion of the Aswan Dam, and the increased industrialization of the two kanor cities, Cairo and Alexandria. Egypt is without a nation-wide urbanization programme in fact, urbanization programmes are nothing more than "side-effects" of the national industrialization plan. Lastly, as evidenced by the nature of projects undertaken, Egypt has emphasized rural development in favour of urban development, in an attempt to arrest rural migration to urban centres.

PROBLEMS WITH PRESENT DEVELOPMENT PROGRAMME

In the previous chapter an attempt was made to explain first, the direction or policy for urbanization, second, to identify its formulators and participants, and lastly, to review significant projects which the government has undertaken to date. It seems appropriate, however, at this time to discuss the administrative problems of rapid urban growth.

As noted previously, the present law on local administration is an attempt to deconcentrate major functions of the ministries to the governorates, cities and villages.

The advantages of such a system appear to be manifold. For example, local problems are better understood at the local level, and the opportunity for solving local problems would afford local citizens a greater degree of participation in the governmental process. It is also likely that revenues would be spent more prudently, and public services may also be more speedily provided. Perhaps governmental procedures could also be simplified.

In these terms it is difficult to evaluate the law in operation, much less than to judge it as a success or failure. Egyptian observers[10] have shed some light on certain problems encountered, which will be reviewed at this point. They indicate that there is uncertainty

[10] Kamal Mazem and Mohamed Fathi Shamsy, "Administrative Problems of Rapid Urban Growth in the United Arab Republic" in United Nations, Department of Economic and Social Affairs, *Administrative Problems of Rapid Urban Growth in the Arab States*, New York, 1964, p. 151.

in the area of general administration with respect to the assigned functions of ministries, governorates, and smaller local units. Further, there is also evidence of contradiction, conflict, and duplication of control powers between ministries whose budgets had not been transferred to the governorates. Communications between governorates and ministries can at best be termed as poor. In terms of finances, funds allocated for projects are generally inadequate not only because of faulty estimates, but also as a result of delays in their execution.

Experience also indicates that certain programmes are allowed to expand to greater proportions than the administering office is capable in handling. For example, the administration of the transportation system of the city of Cairo was left in the hands of the municipal administration until chaotic conditions forced the central government to take it over. Moreover, one can also find duplication of effort at all levels of government. For example, the transportation system of Alexandria is provided by more than one level of government. Turning from general administrative problems to that of personnel, the following stand out.

Problems in this area of administration are frequently encountered in the transfer of State civil service employees by failure to notify national authorities. There also exists a lack of coordination relating to compensation and promotional opportunities between field and headquarters personnel. In addition, there is also a tendency of lethargy on the part of headquarters personnel to undertake projects in rural areas for fear of being eventually assigned to the unpopular rural areas. Government officials at Cairo tend to preserve the *status quo* as concerns development projects.

Another commonly cited problem relates to training. Officials already appointed to conduct local administration, are frequently lacking not only in experience, but also in training.

Problems with Rapid Urbanization Planning

According to population studies conducted by the government, and by the United Nations, it appears that Egypt is faced with overconcentration of population in relatively few cities. This fact appears serious, and is likely to emerge as the key bottleneck in any programme of industrialization. In the absence of a concerted governmental effort to counteract it, this may become more, rather than less, severe with every potential short-run advance in economic development.[11]

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[11] Abu-Lughod, *op. cit.*, p. 315.

Demographic studies over the past 20 years indicate that the cities of Cairo and Alexandria are growing at a far faster rate than smaller cities. And instead of offering prosperity and employment to the hinterland, the Government's industrialization plans create still greater concentration of urban growth, especially in these two cities. There is also evidence that the growth rate for cities in the geographical vicinity of Cairo and Alexandria is greater than of independent urban centres. In turn, the smaller cities are getting weaker not only *vis-a-vis* the larger but also in relation to population growth of the country as a whole!

Thus, if balanced urban development is to be achieved, the current trend must be judged as unpromising, and the central government will have to undertake a different form of industrial development not only to reduce the population over-concentration *per se*, but also to balance the preferential industrial treatment accorded to the major cities.

Despite gains made in industry, the record established by Egypt's industrialization programme indicates that the proportion of workers in manufacturing industry to the total employed population remained the same during the period from 1927 to 1957. And, while the volume of production increased by three-quarters from 1947 to 1955, United Nations calculations indicate that the number of workers employed in the larger factories actually show a slight decline![42]

CONCLUSION

Experience has shown that urbanization in developing countries has usually led to mass migration from the rural areas, and heavy concentration of population in large cities, especially in the national capitals. Egypt is no exception to this.

As we have seen, urban development programmes are a novelty in Egypt, as traditionally they have consisted of replacing an old building with a new one, or a narrow street with one that is broader. Furthermore, Egypt is without a national programme for urbanization. However, its national industrialization plans do include the cities of Cairo and Alexandria, not in terms of urbanization projects *per se*, but as locations of industrial plants.

The current law on local government allows local participation in suggesting programmes and remedies to local problems, as well as a

[42] United Nations, *op. cit.*, p. 65.

role in executing local projects. The government is actively promoting greater local participation.

Current national development programmes and policies, however, concern themselves primarily with the completion of the Aswan Dam, and in meeting the pressing needs of the cities of Cairo and Alexandria. Projects that can be considered on the local level are rural development programme designed to keep the population from migrating to the cities by improving local living conditions. It is perhaps too early to predict their long-term effect, but the short-run effect does not appear to be fruitful.

We might ask at this point, "what is the prospect of urbanization in Egypt?" What direction does it follow? It appears, in the first place, that Egypt is not so much faced with problems of urbanization, as with the problem of population over-concentration of the two major cities, and indeed in the Nile delta. But, is this necessarily undesirable?

In economic terms the per capita cost of providing municipal and private services may sky-rocket when the optimum saturation point is reached. The cost of supercities in new investment, overhead, and municipal housekeeping are greatly higher than in smaller cities. "In newly industrializing countries where 'non-productive' investments in urban plant and overhead must compete with investment in productive facilities, this mis-allocation of limited funds may seriously jeopardize the all-important goal of economic development."[43]

It also appears that whatever over-urbanization there is in Egypt, it presents no threat to economic or cultural development.

The impressive land reclamations expected by the completion of the Aswan Dam and Western Valley projects unfortunately do not appear to be enough to absorb the natural increase in population. Thus, it appears that Egypt has no choice but to industrialize and urbanize. To be sure, the natural increase in population and the population pressure on the prime cities will remain severe for the year to come, but the only alternative appears to be that

> "... many of the farmers among Egypt's 24 million inhabitants who are crowded together on the narrow Nile Valley, and are growing in number every year, be transplanted to the broad arid

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[43] Abu-Lughod, *op cit*, p. 315

plains and hills of the Syrian Region where a population of 4 million does not provide enough manpower."[44]

The problems created by the population growth in relation to available land appear to be problems which will have to be assumed by the central government, as they are beyond the scope of local urban governments.

In view of the above, the prospects for greater local, or urban autonomy from the central government appear to be dim. There is reason to believe that the central government will necessarily have to remain responsible for all urban development programmes from the point of initiation to final execution. Local participation in these programmes, at best will consist of recommendations, and possible participation in final execution stages.

[44] Ragaei El Mallakh "Economic Integration in the United Arab Republic: A Study in Resources Development," *Land Economics*, August 1960, p. 265.

TOPICAL PROBLEMS OF ADMINISTRATIVE REFORM IN THE FEDERAL REPUBLIC OF GERMANY

Roman Schnur

IN almost all the larger European States a conflict has developed between the traditional organization of the administration and the demands made on it by modern conditions. For this reason, efforts are being made in those States to adjust the structure of the public administrative system to meet modern requirements. The cause of this conflict is mainly to be found in that field of public activity known as town and country planning. This development is noticeable in a number of European States, *e.g.*, in France, Great Britain, Italy, and the Federal Republic of Germany.

It may, therefore, be of interest to the readers of this periodical to learn details of the position in this connexion in the Federal Republic. A report of this kind not only provides information about another country, which is always useful; but this report may also be interesting from the aspects of the European Economic Community, because the increasing economic standardization as well as the growing uniformity of the different living conditions in the EEC member States present many parallels between the various member States.

I

In the following report, the term "reform of the administration" is understood to mean the reorganization of the territorial structure of the public administrative machinery in the Federal Republic of Germany. Thus, we are concerned with the question of whether the territorial organization of the German administrative organs still fulfils the requirements of present-day administrative tasks. But, on the other hand, we are not concerned with the internal organization, such as, for instance, the transference of competencies to a higher level, modern office techniques, certain reforms of personnel policy, etc. These questions are also the subject of lively discussion in the Federal Republic of Germany and are touched upon in political decisions. The problems of the territorial reorganization of the German administrative system are, however, so extensive and complex that

the following report must be confined to a presentation of these problems. It must, however, be pointed out that our subject does not include the question of whether the present division of the Federal Republic of Germany into eleven Federal Laender fulfils the demands of modern State organization nor whether the Laender should be divided differently, *i.e.*, their boundaries altered. This problem, too, has been discussed in Germany. It is regarded here, however, not as an administrative problem, but as a problem of federal policy which has, moreover, been settled in Article 29 of the Constitution of the Federal Republic of Germany. In this connexion, it may be mentioned that in consequence of the political structure of the Federation and the Laender this question is not at the moment regarded as topical. No reforms may be expected in this direction in the foreseeable future.

In order to understand properly the problems of administrative reform in the Federal Republic of Germany it is necessary to recall that the territorial structure of the German administrative system beginning at the bottom is in general characterized by the following elements : (1) communes, (2) counties and municipalities, (3) governmental districts, (4) Laender, and (5) Federation.

The relationship between Federation, Laender, and communes (communes and counties) can be illustrated by means of the following figures :

(*a*) Federal personnel (excluding military personnel and non-corporative economic enterprises) comprised a total of 266,000 persons at the end of 1965; 850,000 persons were employed by Federal Posts and the Federal Railways. The Laender employed in all 1,100,000 persons. Communal authorities employed 600,000 persons.

(*b*) The budget estimates for 1966 show the following picture :

Federation :	67·8 milliard
Laender :	46·7 milliard
Communes :	(with more than 10,000 of a population) : 26 milliard

A comparison with other, not so centralized European States is sufficient to show that the political independence of the Federal Laender and local self-government are of quite particular importance.

Administrative reform as understood in this report refers to categories (1) to (3) above. The specific features of the federal structure

in the Federal Republic of Germany are responsible for the fact the competency for territorial reforms in the German administra lies not with the Federation but with the Laender. This alone coı tutes a significant difference from the situation in Italy, France, Great Britain. In other words, there is no single central authority the territory of the Federal Republic of Germany from which a terı rial administrative reforms could be launched. From the legal st point, the individual Federal Laender are independent of the Fed tion in dealing with administrative reforms. This does not mear say that the Laender in preparing an administrative reform shc not aim at as uniform arrangements as possible.

The organization of public administration in Germany goes b a long time. Most of the territorial units were established right a the Napoleonic wars, that is, in the period immediately after 1ł To be sure, there have been certain changes here and there. (outstanding case was the reform in Prussia in 1932. It was not, h ever, a reform on any large or comprehensive scale. On the wh the territorial organization of German administration established the beginning of the 19th century has thus been retained.

For some years now, however, the discussion about the pra cability of the traditional territorial structure of the administra system has become so lively that the problem is engaging the atten of political circles too. For instance, the Land Government for Rhineland-Palatinate submitted a bill to the Land Diet in Janu 1965 concerning the simplification of the administrative machin in the Rhineland-Palatinate, and containing far-reaching amendme to the territorial administrative organization in that Land. In sumı 1966, the Rhineland-Palatinate Land Diet promulgated its first to simplify the administration in which, among other things, number of lower law-courts was reduced by one-third. The num of finance offices is also to be reduced considerably.

In some of the other Federal Laender, the Land Governme have instituted committees of experts. These committees are to m proposals with regard to reforming the territorial administrati For example, the experts' committee in the Laender of North Rhi Westphalia and Lower Saxony have already published the first pa of their reports. Committees of this kind have also been establisl in other Federal Laender.

II

The latest endeavours to achieve far-reaching reforms in the t ritorial structure of the administrative machinery were touched

by the fact already mentioned that that territorial organization was established at the beginning of the previous century and the developments in living conditions make such a division of the administration seem questionable. Of course, no one contests that the territorial structure of the German administrative system was adequate for conditions then and, therefore, generally accepted. The development of the public administration machinery in the 20th century, however, urgently calls for major reforms.

The essential causes for the necessity for administrative reforms are to be found in that sphere of public administration which may be designated as town and country planning. The problems of town and country planning as related to the organization of the administration in Germany can be characterized by the following principle features :

The advancing industrialization in the densely populated Federal Republic is producing an increasing concentration of the population in the towns. There major congestion zones are created. This development has not yet come to an end and it is uncertain when it will do so. For if, in accordance with the estimates of the expected population increase in the Federal Republic of Germany, the number of inhabitants rises from 59 million in 1965 to 70 million in the year 2000, the congested areas in the urban areas will become even greater.

It is not solely in these congested areas, however, that typically urban living habits have left their mark. The rural population adjust their expectations in respect of living conditions to a town-minded standard of civilization. This leads to the results that the population in the countryside is attracted by the opportunities in the towns and that consequently the countryside is exposed to great social erosion. The structural alteration in German agriculture, not the least due to the influence of the European Economic Community, greatly aggravates this process by a considerable drop in the number of persons employed in agriculture. These persons gradually expect, however, the same services and returns as provided by the administration in urban areas.

Thus, on both fronts, the congested areas and the countryside alike, grave deficiencies have arisen : lack of space, traffic chaos, long distances to work, streams of commuters, a lack of access to recuperation areas, noise, air-pollution, pollution of water, high living costs as well as difficulties of maintaining supplies to towns on the one hand, and the disappearance of adequate living conditions in the neglected countryside, on the other.

Furthermore, the biological forces of nature are knocked off their balance, especially as regards water, through the excessive demands which will get even greater as a result of industrial development. In addition, the countryside keeps on falling further behind in comparison with the cultural opportunities in the towns.

In order to counteract this development, an intensive policy of town and country planning has been going on for years in Germany. Within the frame-work of town and country planning, the public authorities are given the task, on the one hand, of reorganizing the major city centres and making them harmonize properly with the surrounding areas by means of housing settlements, traffic regulation, and supply facilities. On the other hand, the situation of the countryside is to be improved. This is done by land consolidation measures, electricity and gas supplies, water supplies, sewage removal, development of roadways for traffic, restoration of villages, provision of hospitals and public welfare institutions, recreation grounds, and not least, it is intended to make rural conditions more attractive by stepping up its economic efficiency with an efficient educational system, and thus offer encouragement to commercial and industrial enterprises to establish themselves in rural districts.

In addition, it is intended by means of many direct and indirect measures of the public authorities to improve the infra-structures. These measures include subsidies and priorities for housing and economic projects, for the choice of locations for public institutions, etc. They also include supra-local measures for improvement of water management, creation of a comprehensive and intensive network of roads, railways, waterways, the establishment of recuperation areas and many more such things.

If we consider the total volume of public tasks in the Federal Republic of Germany, it may be said that most of the present-day tasks are subordinated to the demands of town and country planning. This is bound to have far reaching consequences for the territorial organization of the administration.

From a purely theoretical standpoint, a solution could have been found by establishing special administrative authorities for the respective tasks as required. But it also became evident very early in the Federal Republic of Germany that town and country planning is a field where preparation is indispensable. This necessitates, among other things, the preparation and implementation of town and country planning policies, where possible, within the frame-work of the general

territorial units of the public administrative authorities. For it is only thereby that the integration of the various aspects of town and country planning, required for planning, seems possible. For instance, you cannot settle industries in rural districts without at the same time adjusting the educational policy accordingly.

In addition, it should be noted that the new tasks of town and country planning are inevitably linked with the older functions of public administration have to be attended to as part of the new existing general entity of administrative organization.

Finally, it should also be remarked that the work of town and country planning in the Federal Republic of Germany has now taken on such political significance that it must of necessity be treated under the aspect of general political responsibility and political participation of the citizens within the frame-work of the general administrative units.

To be sure, an attempt was made at first in the Federal Republic of Germany to solve these new problems without any change in the general administrative organization, along the lines of inter-communal cooperation. This inter-communal cooperation did not affect the independence of the existing administrative units. Up to a point, the forms of inter-communal cooperation fulfil many good purposes. But at a certain juncture when the planning tasks become intensified, they prove to be inadequate. The shaping of policies is then too complicated. And in such case there is no alternative but to alter the territorial organization of the general units of the administration.

The foregoing can be illustrated by means of an example. The Ruhr area, the largest industrial region in Europe, with more than 5½ million of a population, is administered by three governmental districts, whose official seats lie outside, and some of them far outside, the Ruhr area. When it recently became increasingly obvious that major regional planning was unavoidable in the Ruhr area, the question was raised whether it would not be necessary to create one single governmental district for that area with its seat in the centre of the region.

III

These developments in modern administrative tasks have made a tremendous impact on the traditional structure of the German administrative system. The following report will try to show what specific

problems this has led to. In the process, we shall differentiate between the various stages of vertical administrative organization.

The Communes

In the Federal Republic of Germany there are as at the end of 1965, no less than 24,444 communes. The range of problem in the administrative reform of the communes is evident when we break-down this global figure. We then see that there are communes with the following population figures :

Not more than 100	841
100-200	2,660
200-500	7,566
500-1,000	5,807
1,000-2,000	3,802
2,000-3,000	1,276
3,000-5,000	1,650
5.000-10.000	817
10,000-20,000	351
20.000-50,000	190
50.000-100,000	52
100,000-200.000	30
200,000-500,000	16
500 000- and above	11

In the communes with not more than 1,000 inhabitants there are living only 12·1 per cent of the entire population and in those with less than 5,000 inhabitants, only 33·1 per cent.

In view of these figures, it is agreed in Germany that far-reaching reforms are necessary. The communes with too few inhabitants and covering too small an area, are no longer in a position to perform their functions. This gives rise to a big difference in the public facilities as between the major towns and rural zones. The rural communes are unable nowadays to carry on any effective construction planning. In addition, the public education system in such communes shows grave shortcomings. On the one hand, the elementary schools are too small, and on the other hand, there is a lack of other schools important for the vocational training of an industrial society. It is even barely possible to maintain a proper water supply and sewage removal facilities in those communes. It is apparent that in such communes, it is no longer possible to provide so-called close-range facilities in public services for the inhabitants. But not even in the private economic sphere is it possible to ensure local facilities (shopping facilities and other services, etc.).

The experts realize that only few of these community supply facilities, which are today also indispensable in the country, can come into question for an administrative unit with less than 5,000 inhabitants. It is, therefore, considered essential to establish larger units of local self-government. By now, the experts are agreed that no commune should have less than 5,000 inhabitants and some consider the minimum figure to be 8,000.

In the Federal Republic there are a number of possibilities under discussion as to how such larger local administrative units can be created.

In various parts of Germany there is a joint office for administering several communes. This office has its own trained personnel to handle official matters, *i.e.*, such tasks of public administration as are delegated to the communes by the State (Federation or Land). It would, therefore, be conceivable that the communes remain in their present number and the appropriate office be given further competencies so as thus to ensure a more efficient handling of the said tasks.

But this kind of experiment runs into hindrances of constitutional law, for it is at variance with the guarantee of self-government of the communes which is provided for in the Basic Law (Art. 28). This guarantee guards the substantial traditional stock of self-government tasks of the communes. This reform would consequently require an amendment to the Constitution.

Counties

(a) The Federal Republic of Germany has 425 counties. They are public corporations with self-government at the next highest level above the commune. Their duties are those tasks that cannot be dealt with by the communes, so-called supra-local tasks. The county area also constitutes the district for which the subordinate organs of State administration are competent.

The size of the various counties in Germany varies greatly. For instance, there are counties with less than 20,000 population, and those with more than 300,000. Even allowing for the fact that the density of the population and other circumstances account for relatively large differences between the counties, the lowest limit of the population of a county is today set considerably higher.

This is understandable when we examine more closely the range of tasks for a county in Germany. The administration of the county's own affairs covers in particular : county roadways, local transport, local airports, special hospitals, vocational schools, special schools, recuperation areas, economic promotion, water management, hospitals, old folks' homes, larger recreation grounds, etc. The governmental tasks carried out by the counties have also become more extensive and complex.

Whereas, however, the experts in Germany are more or less agreed about the exact population figures with regard to the size of the communes, the discussion on the optimum size of the counties has not reached such a conclusive stage. It should, however, be pointed out that the report by the Experts' Commission of Lower Saxony envisages a population of 250,000 as the minimum for a county.

(*b*) A reform of the territorial division of the counties also includes the solution of the problems of those *towns* which do not at present belong to any county but, as so-called autonomous municipalities, are directly subordinate to the government district. The number of such towns in the Federal Republic amounts to 137. As it has become increasingly obvious that this separation of town from county results in considerable disadvantages, especially as regards planning in more extensive areas, the re-inclusion of many of these towns in the counties is advocated. In the course of the controversy on this problem, the general opinion tends to recommend that towns with less than 100,000 of population should be re-incorporated in the counties. There are even some who demand that all towns should belong to a county.

(*c*) The specific problem, however, in the relations between town and county lies in the conditions in the large urban areas, or in other words, in the actual congested areas, *e.g.*, the Rhine-Main area, the Rhine-Neckar area, Munich, Nuremberg, Hanover, Stuttgart, and Cologne. A classic example is, of course, the Ruhr district. In these cases the advantage of the return of the very large cities to the county competency is most dubious, because those cities are too large for the counties and thus would upset the balance too much between these cities and the other communes of the county concerned. At the same time, closer connexions between them and the surrounding district are imperative. Certainly, communes in the immediate vicinity of a town could be incorporated. But that is only a partial solution.

For this reason, the problem of the administrative urban districts is being ventilated in Germany. The law passed by Land Lower

Saxony in 1962 concerning the "Verband Grossraum Hanover" (Association of Greater Hanover) was an initial step in this direction.

The various units referred to would be in the form of a communal association which would not have the attributes of a public corporation. Its principal task would consist in the uniform planning of the development of the town centre in the midst of residential and industrial settlements, transport services, landscape cultivation and the provision of public services. Moreover, the said association could be entrusted with such competencies of the member-communes as are not part of those tasks of self-government of the communes guaranteed by the Constitution.

It cannot be denied that the realization of these reform ideas would lead to a far-reaching transformation in the external form of communal self-government in Germany. But it cannot be said that the aim of these reforms is to lessen the importance of local administration within the overall political administration. On the contrary, the idea is to adapt the form of local government to suit the modern demands on the public administrative machinery so as to make local government more efficient.

For local self-government has proved so useful in Germany that no one would contemplate diminishing it. Especially a highly developed industrial society cannot do without the initiative which emanates from a strong local administration.

Admittedly, it seems urgently necessary in Germany to consolidate the power of the State (Federation and Laender) as regards planning tasks, because planning at the *local* and *regional* levels is no longer sufficient. But a development of this kind would not lead to a weakening of local self-government. The high-level units will, of course, have to increase their participation in planning on the whole. But that does not necessarily mean reducing local self-government. The aim is to strengthen local self-government so that it can play a proper part in an organized system of planning. In contrast to the position in other European countries, therefore, it could be said that they should be more concerned with strengthening their local self-government whereas in Germany it is rather a question of consolidating governmental competencies in the field of planning.

Government Districts

In the entire Federal Republic of Germany there are 33 government districts. In the Laender of Bremen and Hamburg which are

city-states, as well as in the smaller Federal Laender of the Saarland and Schleswig-Holstein, there are no government districts. The smallest government district has a population of 268,000 and the largest 5½ million inhabitants.

The government district is, in general, the intermediate government authority. It is only in Bavaria and part of the Rhineland-Palatinate (the Palatinate) that there is a local self-government authority covering the same area as the government district. But according to the present legal position that organization has only very minor competencies and is not to be compared with the powerful position of the government district authority. That authority is, as intermediate government authority, subject to the official supervision of all the Ministries. The official supervisor of the government district administration is the Minister of the Interior of the Land concerned.

In the Federal Republic the question has been under discussion for some time as to whether that general intermediary government authority should be retained. What is meant here is not that in the process of reforms in a Federal Land the counties should be increased so much that, if only for that reason, the government district authorities would become superfluous. That would be a question of the number of authorities in the vertical administrative organization. It is more a matter of principle. For instance, the opinion has sometimes been put forward that the government district authority is no longer viable as an intermediary government authority, that it would have to be replaced by an organization of local self-government. It is contended that this would be the only way possible to allocate genuine tasks to administrative units of that territorial magnitude, and thus make them viable. But the large majority of experts tend to hold that the general intermediary government authority is not superfluous but, in view of modern administrative tasks, has become more necessary than ever. They maintain that the government district authority is the only place in the State where most of the threads of public administration run together, and what is more, those very threads connected with the overall administrative affairs in a particular territory. The general intermediary government authority is hence the only authority most readily capable of fulfilling that coordinating and distributive function proper to town and country planning and tasks of planning involved. In this connexion, there are competencies for education, agriculture, industry and commerce, the promotion of housing construction, public health, road traffic, general construction work, and supervision of the communes. It should, however, be pointed out that the status of the government

district authorities varies from Land to Land. Criticism of that authority is loudest in those districts where the Land Government allocates the District Governor (Regierungspräsident) but scant financial means to use at his own discretion. In contrast to this, where the Land Government gives the Governor a relatively free hand financially so that he can use those funds at his own discretion, criticism of the so-called "messenger" function of the Governor is not so loud.

It should, however, be indicated that there are at present in Germany so-called planning groups for the special tasks of town and country planning in the narrower sense. As a rule, these bodies are associations of communes and counties within a specified area. Sometimes government districts belong to them too. Other institutions, such as Chambers of Agriculture, Chambers of Industry and Commerce, Chambers of Trades, Trade Unions, etc., can also join. Normally, the planning groups have the task of developing the aims of regional planning within the scope of the area concerned in cooperation with the participating authorities, and in accordance with the superior aspects of the town and country planning of the Federal Land concerned. They have also the task of advising the State planning authority of the Land, and by advising the officials, ensure that the aims of the Land planning policy are pursued. Thus, their purpose is only one of planning and advising. It may, therefore, be said that in the planning groups the influence of local self-government is much stronger than that of the State authorities in as far as they participate in those planning groups.

According to this sytem, planning and execution of the plans are carried out by different organizations. But it seems doubtful whether such a system can be maintained. If more competencies are going to be given to the planning groups for town and country planning, particularly in the direction of concentrating planning and the execution thereof in one and the same hand, the question must be answered as to whether such administrative units should be developed into local public corporations. In the hierarchy of public administration, such units would then be on the same level as government district authorities.

In order to achieve a better administrative organization at this level proposals are, therefore, made to coordinate the limitations of the State intermediary authorities with the regional organization of town and country planning. The following possibilities are put forward :

(*a*) The Land planning groups should coincide with the government district authorities;

(*b*) Government district authorities should coincide with independent regional communal associations. These communal associations should have their own legislatively prescribed functional scope. They would at the same time be planning groups for Land planning;

(*c*) There could be government district authorities and independent regional communal associations in the same area. The communal associations would simultaneously be planning groups for Land planning and could, with the approval of the counties concerned, be responsible for local tasks of executive administration, where necessary; and

(*d*) New administrative organizations should be instituted at the intermediary level which are both State government district authorities and local communal associations. They would deal with both sovereign administrative tasks of the State and planning and executive regional self-government tasks. The officials on such a unified authority would be employed both in the services of the State and that of the self-governed unit concerned. The Land and the regional communal association would have a joint say in the appointment of the head of such an authority. This model lends itself to a number of variations.

The examples under (*c*) and (*d*) above, would constitute a far-reaching reform of the administrative organization. For a new local unit would thereby be established at a level above county-level. Such a unit would at the same time be a planning group for Land planning. The territories of the government districts and that higher local association would coincide. This would mean achieving the complete harmonizing of the administrative organization at that level of vertical division.

In this connexion, it may be pointed out that this kind of structure would be nothing new in Germany. In the Prussian administrative machinery, the provinces were similarly organized. Whereas in Prussia, the district governor was a purely State administrative unit, the province at the next highest level had a different character. For it had, on the one hand, State administration and, on the other, local administration.

The examples given under (*b*), (*c*) and (*d*) as regional communal associations would not have other organizations such as those of

industry, agriculture, trades, etc., participating in shaping policies. On the contrary, they would be general political units and electoral law would also require to be regulated accordingly. But it would be possible to have the cooperation of the said organizations in the form of consultation. But any decision would, nevertheless, be the sole responsibility of the higher communal authorities.

Independent of this fundamental reform of the administrative machinery at intermediary level, there is another matter to be clarified in Germany, the question of how many units of this kind should exist. This concerns the number of government districts and of higher communal associations. For instance, the Land government of the Rhineland-Palatinate has suggested to the Land Diet that the number of government districts should be reduced from 5 to 3. In other Federal Laender the number of government districts is also held to be too large. On the other hand, the experts suggest the re-introduction also in Schleswig-Holstein, of the State intermediary authority. And finally, Land North Rhine/Westphalia will have to answer the question already mentioned, of whether a single administrative district will have to be established at intermediary level.

Harmonizing of Administrative Limits

If we acknowledge the fact that the inter-dependence of living conditions in a highly developed industrial society is continually increasing, and that planning is indispensable in public administration, it is obviously absolutely essential as far as possible to coordinate the limits of the various administrative authorities including the law-courts. That is not only an important question for the administration alone. The citizen, too, has an understandable interest in such co-ordination. For this reason, the Land government of the Rhineland-Palatinate, for example, has proposed in the above-mentioned bill on administrative simplification an almost total harmonizing of all administrative limits.

Administrative Unity

In the Federal Republic, too, the opinion is held that the efficiency of public administration could be stepped up by other means. While the harmonizing of administrative limits just referred to, has many advantages, it creates more external coordination. More effective would be the creation of internal unity by the elimination, where possible, of all special administrative organs now existing alongside the general administrative units. Of course, there will always have to

be specified administrative organs for certain special administrative tasks, *viz.*, special administrations, but it is the opinion of the experts that a large number of those special administrative organs would have to be incorporated in the general administrative units because otherwise there can be no efficient planning. This applies to special State authorities at the level of the communes, counties, and government districts. For this reason the proposal has been brought forward in Land Rhineland-Palatinate to eliminate many special authorities.

IV

A speedy and satisfactory solution to these great problems of reform has met with grave difficulties in Germany. We are not alluding the fact that these reforms are within the competency of several Federal Laender and not of the single central authority. These difficulties are inherent in all reforms of this kind.

It is a recognized fact from experience that, faced with the necessity of far-reaching reforms, all concerned, as a rule, begin by reacting irrationally. The accepted tradition is in question and this robs people of their confidence of thought and action. They then find it difficult to conduct a rational discussion of the problems. This has also been apparent in the Federal Republic of Germany. But by now the controversy has become much more objective.

In such situation, scholarship by virtue of its obligation to rational discussion has managed to achieve a great deal. It must be pointed out, however, that in Germany the almost entire lack of administrative science has shown to great disadvantage. As there are no special chairs of administrative science at German universities the problems of administrative reform cannot be dealt with adequately by qualified specialists. But without such specialization no scientific advice can be expected in this extremely complex system. The legal expert alone cannot offer much help here, because most problems of administrative reform are not legal ones. It is, therefore, not surprising to find that but few Professors in Germany can help in practice. And these few Professors are not sufficient to provide the necessary intensive and prompt advice on the problems of administrative reform.

It should also be pointed out that the training of top-level administrative officials for modern tasks of town and country planning eaves much to be desired. Top-level officials have, it is true, good egal qualifications, but that is no longer sufficient for the present-day asks of public administration. The public official has, therefore, to

acquire for himself most laboriously, during his service, a knowledge of the modern administrative problems. This is bound to lead to considerable deficiencies in the public administration.

As with all reforms, considerable opposition is to be expected here too. Every reform changes the *status quo* and thus affects certain concrete interests. This applies in our case primarily to the units of local self-government, but also to the innumerable private organizations whose spheres of competency coincide with those of the public administrative system.

Whenever an administrative reform must be decided on by Parliament, much opposition is to be expected there too, for certain interests of the members of parliament are also affected.

In Germany, too, many parliamentarians believe that an administrative reform could result in certain disadvantages with regard to the next elections.

In such a situation, strategy and tactics are particularly important. Nevertheless, the frequently-aired assertion in Germany that such radical administrative reforms cannot be achieved by normal political means or in a normal politicial situation, is certainly false. The success of the Land Government of the Rhineland-Palatinate has shown that correct strategy and tactics can also achieve their goal in this field too. This has proved once again that the citizen prefers in the long run a courageous line of policy to the line of least resistance.

REPORT OF THE RURAL-URBAN RELATIONSHIP COMMITTEE 1966—A CRITICAL REVIEW

Ali Ashraf

THE organization of the Panchayati Raj institutions and the programme of community development brought about important changes in the structure and role of local government in rural India. In a country where 83 per cent of the people live in villages, it was in the fitness of things that rural development should receive priority. The Directive Principles of the Indian Constitution also mention the need for decentralization of power and organization of the village as a unit of local self-government.

Two factors, however, have highlighted the inadequacy of this approach to the decentralization pattern in Indian local government. First, the towns and cities, regardless of the percentage of the Indian people living in them, are the centres of commerce and industry, finance and education. They are also the centres of administrative and political activities. The existence and progress of metropolitan cities, such as Calcutta and Bombay, is indeed of national importance. Thus the value of cities cannot be judged merely by the number of people as a percentage of the total national population living in them. Secondly, like other developing countries, India too is bound to grow in industries, and the location of industries is of great economic, social and political importance. Besides, the growth of large-scale industries, changes in the village economy are leading to proliferation of small-scale industries and call for rapid and widespread development of agro-industries in close proximity to the villages. This has entailed the growth of townships in the vicinity of rural India and is bound to be, even more in the future.

It was, therefore, natural that the Government of India should be obliged to pay attention to the problems of urban and industrial centres in the country and grapple with the problems of strengthening urban government and devise suitable arrangements for linking together the village and the town. The first two Five Year Plans, although devoted largely to industrial development, were conspicuous in their omission of financial allocation for urban development. It was in every way strange, because industrialization involves

urbanization and depends a good deal on the infra-structure of utilities and amenities provided by city governments. The Third Five Year Plan showed an awareness of this omission and made a provision of Rs. 5 crores towards the preparation of master plans for metropolitan cities, State capitals and other industrial centres. The problem, however, called for a more concerted effort and a massive attack on the widespread stagnation in the civic administration of towns and cities and their continuously haphazard growth.

The setting up of the Rural-Urban Relationship Committee (RURC) in 1963, though somewhat narrow is what its nomenclature implies and also misleading in its focus, was a very welcome move on the part of the Government of India. Happily the terms of reference for the RURC were comprehensive and included the following :

(1) Determination of criteria for the demarcation of urban and rural areas.

(2) Making recommendations regarding the relationship between the urban local bodies and the Panchayat Raj institutions.

(3) Defining the structure and functions of the urban local bodies.

(4) Making recommendations about the lines on which the urban community development may be undertaken in municipal areas.

(5) Making recommendation for the more efficient and effective functioning of urban local bodies generally.

The RURC was constituted in April 1963 under orders of the Health Ministry in pursuance of a resolution passed by the Central Council of Local Self-Government and the Conference of State Ministers for Town and Country Planning held in 1962. The Committee was originally required to submit its report within six months of its constitution, but its Report actually took three years to come out. According to its report, the RURC employed various methods for study such as issue of a questionnaire, collection of factual data from urban local bodies and State Governments, discussions with experts in public administration, university professors, ministers and officers of some State Governments and case studies in a few selected towns. Also three members of the Committee visited the USA and Japan to

make a first hand study of the Local government system there. The RURC Report consists of the following chapters :

(1) Historical perspective.
(2) Objectives and functions (of urban local bodies).
(3) Delimitation of local authority areas.
(4) Rural-urban relationship.
(5) Urban Development and Planning machinery.
(6) Structure of urban local bodies.
(7) Municipal Personnel.
(8) Finances of urban local bodies.
(9) Public participation and urban community development.
(10) Relations between the State Government and Local administration.

The Report has very validly drawn attention to the new tasks of local bodies in the context of planned development which has been the hallmark of independent India. It rightly draws attention to one of the Directive Principles of the Indian Constitution that 'The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may, a social order in which justice, social, economic and political shall inform all the institutions of the national life'. It should be emphasized that it has been judicially held that 'The State' here refers to local authorities as well as the State and Union Governments. Not infrequently, however, one hears the argument, held out by local leaders and functionaries that such and such functions belong to the State Government rather than to the local bodies. It is indeed an evasion of responsibility on the part of local bodies when their spokesmen argue that education, for example, is a State responsibility and not a local one.

The RURC has also done well to emphasize the failure, by and large, of our local bodies to rise to the occasion and participate effectively in the tasks of planning and development. The pervasive and mounting criticism of local bodies' failure to match their performance with the requirements of development, however, tends to overlook the fact that these local bodies were designed in an earlier era when the role of local bodies was very narrowly conceived and that a good deal needs to be done to modernize the administrative and fiscal arrangements in local bodies. The RURC Report very correctly observes that, 'The fact, however, is that the municipal machinery is

being called upon to shoulder manifold and complex responsibilities without being provided with an appropriate administrative machinery and requisite resources.'[1]

Another important problem which the RURC Report deals with is the hitherto neglected, but increasingly important, subject of rural-urban relationship. So far in India the rural and urban areas have been conceived in dichotomous terms. Even in the Directive Principles of the Indian Constitution, it is laid down that the State should take steps to organize village Panchayats as units of self-government. This partiality for the village as such is perhaps a Gandhian legacy and the Government, in pursuance of this Directive Principle, had so far devoted its attention and resources mainly to rural development. The RURC, therefore, does well to provide a corrective to this kind of partial approach to the problem of mobilizing local bodies in the process of development. The RURC makes a sound observation that urbanization today must be considered as a 'continuous process of transition from rural to urban, treating the present differences as only a stage in the continuum.'[2] This is obviously an important conclusion not only because growing industrialization around the countrywide tends to blur the distinction and the physical boundary between the rural and the urban but also because the future of the village must be conceived in terms of civic amenities that should be available to villages as well as towns. The Panchayati Raj institutions that were introduced with a good deal of fanfare in the country, have in effect been reduced to an administration mainly for agricultural development at the Block level. The Blocks have been largely concerned with the supply and distribution of expertize and agricultural inputs to the farmers. So far the Panchayats have failed to take off as local bodies for civic amenities and indeed their accomplishment in the field of community development has been very disappointing. The RURC recommendations do not go far enough to reach the villages as such, but its observation that the rural units constitute one end of the continuum of which the other end is the urban centre is a timely reminder to our planners who work in fits and starts, and adopt a partial and lopsided approach to planning.

The Committee has taken full cognizance not only of the implications and spillover effects of urbanization in the country, but also has emphasized the point that the problem of providing life's amenities is common to both rural as well as urban units. The village is as

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[1] Government of India, *Report of the Rural Urban Relationship Committee*, Vol. I New Delhi, Ministry of Health, 1966, p. 17.

[2] *Ibid.*, p. 37.

much in need of civic amenities as a town is expected to have. Moreover, the fact of the matter is that the growth of industries, big as well as small, makes it difficult to maintain watertight compartments between the rural and the urban sectors of the society. Also as the Report points out the municipal functions entrusted to Panchayati Raj institutions correspond to those of towns and cities. But there are certain difficulties confronted in coördinated development of rural and urban areas. First, the Panchayati Raj institutions have been in practice deficient in actual municipal programmes and have devoted their energy and resources mainly to programmes of agricultural development. Secondly, the urban areas do not figure in the district plans which have their bias towards rural development. In order to overcome these difficulties the RURC makes the following recommendations which should receive general endorsement:

(*a*) The District should be taken as the regional unit for planning and development for all areas, except the large industrial-urban (metropolitan) centres. For districts whose population is fairly large, there may be set up special statutory bodies with representatives from both Zila Parishad and Municipalities responsible for planning and development of all rural and urban areas in the district. And for the rest the Zila Parishads may constitute suitable committees consisting of representatives from local bodies as well as its own.

(*b*) In the case of large industrial centres, the concept of regional planning is recommended. This purpose may be achieved by planning the entire industrial urban region under a municipal body, perhaps with two-tier structure, or by creating a special authority which should undertake planning and development for the entire region.

While the reviewer believes that in order to tackle the problems of overall planning and development of rural-urban areas, there is no escape from the adoption of a regional approach, he entertains reservations regarding the proposal for a Zila Parishad committee or a statutory body for an industrial region as viable and effective administrative machinery to cope with the tasks of development. It may be said that the RURC did not carefully examine all the alternative proposals either for the suitable administrative units or their internal structure before making final recommendations.

These are some of the general impressions one gets regarding the positive aspects of the RURC report. These pertain mainly to the

identification of the problems facing our local bodies. The Report is, in fact, unimpeachable in so far as it successfully *identifies* the urgent and hitherto neglected problems of local government in India. Where, however, the Report appears to fail is in the diagnosis of these problems and consequently in the prescription of remedies. Reading the Report one gets the impression that the RURC sought merely to collect the available information and points of views and present them without undertaking an analysis in depth. In the analysis of the problems and prescription of remedies, therefore, it shows a lack of focus and fails to make the issues sharp. The result is that the report appears to be a mixed bag of grain and chaff, and one suspects, more chaff than grain.

II

The vital question in respect of local bodies, whether urban or rural, concerns the need for enhancing their political competence and administrative capacity. Issues regarding the delineation of the local jurisdiction, structure and functions of local bodies, financial resources, and planning and development must be examined in the light of this need for improvement in the viability and effectiveness of local authorities. In this connection, it is necessary to analyze the implications of planning and development so far as they concern the citizens and the local bodies. In the first place, planning and development of municipal services require new commitments on the part of local bodies, and these new commitments call for augmentation of financial resources. Considering the fact that grants made to local bodies by the State Governments are nominal and woefully inadequate for development purposes, the increased financial burden has to be borne up by the citizens themselves. The main sources of revenue available for local bodies are either property tax and/or octroi along with some other minor sources such as licensing, etc. The RURC has come out strongly, and rightly so, against the octroi with the result that in its scheme of future municipal development, property tax remains the most important source of local finance in most of the States of India. The RURC emphatically says, 'The committee have no hesitation whatever, in recommending that no local body which does not already levy octroi, should in future be permitted to levy it and that there should be greater stress on raising revenues for civic purposes from property and other direct taxes.'[3] At the same time the RURC asserts that 'Experience in the past has shown that the local bodies are generally reluctant to impose or increase direct taxes,

[3] *Ibid.*, p. 93.

especially the house, water and conservancy taxes, where incidence falls straightway on the electorate. Invariably when a new tax is imposed or the rate of an existing tax raised, there is a general dissatisfaction giving rise to popular agitation and demand for its withdrawal or reduction which find support in complete disregard of the merits, from the opponents of the party or group in power. In most of the municipalities the rates of direct taxes, especially the house tax, are kept low.'[4] Thus among the major existing sources of revenues, octroi, on the one hand is found to be obnoxious and needs to be discouraged and on the other hand, property tax is difficult to raise and certainly difficult to be realized in full. But the RURC does not lack a sense of humour and recommends that local bodies should try to be financially self-dependent. Very concerned about the so-called autonomy of local bodies, it makes the following recommendations :

"The committee are definitely of the opinion that if their autonomy has any import or significance, the *local bodies should be able to raise enough funds to meet their requirements and not look to the State Government for aid.* There should be two-fold effort, firstly, the State Government must provide adequate sources of revenue to local bodies through allocation and sharing of taxes and secondly, the local bodies should be in their part effectively exploit the allocated resources and raise optimum non-tax revenues. Thereafter the gap which remains between the revenue and expenditure of a local body should be met by a well-defined system of grants-in-aid to general and specific purposes. In short, *the committee would like to make the local bodies financially self-dependent.*"[5] The reviewer is frankly bewildered by these conflicting observations and finds it difficult to interpret them. Apart from the ambiguity and the confusion, regarding self-dependence, on the one hand, and a system of tax-sharing and grants, on the other, the advice that the local bodies should not look towards the State Governments for aid is one of the most retrograde recommendations. In Britain cetral grants-in-aid have played a key role in the development of local bodies, and in the U.S.A. too, where State Governments and local bodies are very jealous of their autonomy, the federal financial aid has assumed great importance in recent years. For the RURC to talk of new tasks of local bodies and then to talk of financial self-reliance is not only to hark back to the earlier days of *laissez-faire*, but to miss the central point of joint participation by all levels of Governments in the tasks of social progress and economic development. One would have indeed thought that there were hardly two opinions about the need for increasing grants-in-aid to local bodies.

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[4] *Ibid.*, p. 86.

[5] *Ibid.*, p. 87.

In spite of the pessimistic evidence, the RURC pins its hope of improving local finances through the property tax, and so it says, "The future of municipal finance depends on the full exploitation of the taxes on lands and buildings. Property tax is a stable and elastic source of revenue, which can be utilized to meet the requirements of the local bodies through altering rates, making correct assessment of the annual value and providing an effective machinery for its collection."[6]

In view of the Committee's own testimony about the reluctance of local bodies to improve or increase direct taxes, it appears highly doubtful whether its suggestion for the raising of the property tax is realistic enough for future planning. The recommendation for the institution of a Central Valuation Agency at the State level is sound in theory even though one may entertain legitimate doubts about the realization of its full potentialities. Who does not know that it is not only the municipal employees who are susceptible to all kinds of influences and pressures, and it is not only the local politicians who exercise these influences and pressures ?

The RURC has explored possibilities of additional sources of raising revenue and the recommendations regarding entertainment tax, and motor vehicles tax, to be fully and partially given to the local bodies are fair enough. So are the recommendations regarding the development of municipal enterprises, especially the city transport, milk supply, electricity, and development of urban lands, if only they could be implemented. The adoption of these recommendations, however, depends on the initiative and capacity of local administration to which we now turn.

III

The second issue on the question of administrative capacity of local bodies pertains to their structure. The RURC Report describes the characteristics of the various types of urban local bodies and then deals with the administrative structure of the municipal councils and municipal corporations. The vital issue in this connection is related to the organization of policy making and policy implementing authorities. As regards the head of municipal councils and corporations, the Report has the following to say :

"The presiding officer of the Municipal Corporation is known as the 'Mayor' and of the Municipal Councils as the 'Chairman' or the President. The Mayor does not have executive powers but the

[6] *Ibid.*, p. 95.

Chairman of Municipal Council exercises executive authority in his own right. The Committee is of the opinion that it is not possible for Municipal Councils, especially the smaller and medium size ones, to effect the separation of deliberative and executive functions, as in the case of Corporations and recommend that the existing practice of the Chairman of the Municipal Council exercising executive power should continue. However, in bigger Municipal Councils with a population of two lakhs or more, the separation of policy making from the executive functions should be progressively achieved."[7] Although this is a view fairly representative of general thinking in this country, the separation of the executive from the legislative authority has been subjected to scathing criticism in recent times. What is remarkable in a document like the RURC Report is the omission of any cogent reasoning in support of this view.

Some sort of reasoning is provided later in the chapter where the committee deals with the office of the Chief Executive Officer. It is worthwhile to quote the whole paragraph on the Chief Executive Officer. 'The Chief Executive Officer is the focal institution in the local government's set-up. Being at the apex of the administrative hierarchical pyramid, the Chief Executive must carry with him the responsibility for the implementation of policies formulated by the popular representatives. The Chief Executive exercises supervisory and disciplinary control over the departmental heads and the subordinate staff and coordinates their activities to maintain efficiency. This office should, therefore, be vested with adequate powers and prestige. As the municipal problems become more complicated, more varied, and more technical and more inter-related, they require expert handling. The Chief Executive must therefore be an experienced official. If he is required to produce results, he must be free from interference in the discharge of his duties and he protected against functional politics. At the same time he must owe complete loyalty to the deliberative body and implement its decisions faithfully.'[8] It must be conceded at the outset that the municipal administration today needs a good deal of stream-lining in its executive authority. The critical question, however, is as to what should be the nature of its organization. Under the existing arrangements of Municipal Councils, the chairman is the executive head and he occupies an important place in the municipal administration. If these Municipal Councils have

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[7] *Report*, pp. 59-60.

[8] *Report*, p 65 'One must here face the question that municipal councillors and commissioners who constitute the deliberative body are likely to be in the thick of factional politics and cannot escape from the political pressures In the face of such a situation what should he do-- submit to the policies and actions of municipal councillors he does not approve, or invite conflict by opposing them?

not produced results, the causes of their inertia must be sought eit
in the leadership of the Municipal Chairman or in some other factc
If the executive leadership is at fault and separation of powers can he
there is in principle a need for the separation of the executive from
deliberative wing in all Municipal Councils. If, on the other ha
the causes are much more complex, there is need to investigate i
these causes and explore the desirability and also the feasibility
separation of legislative and executive authorities in Municipal C
porations. The Committee makes a facile statement that "if
Mayor has to handle the executive functions, he is likely to be subjec
to intense party and political pressures which again would lower
prestige. Moreover, the city administration is today full time
requiring expertize and experience. The Committee, therefore, do
favour any substantial increase in the powers of the Mayor."* Th
are two objections to this statement. First, the Mayors of import
American cities are of the model of strong Mayor system, and w
the executive authority, and immersed as they are in politics, they
enjoy great prestige and influence. They are reckoned among
important public leaders. Hubert Humphery, the present Vice-I
sident of the U.S.A. is not the only one who started his public cai
as the Mayor of a city. Secondly, a more substantial objection is t
an independent and separate executive head fails to bring about a i
and effective coordination between the deliberative and execu
wings of a Municipal Corporation. And this brings us to the cru
question regarding the nature of the executive itself. The functioi
an executive head is not only one of passive implementation of poli
decided by the people's representatives. This function indeed exte
to providing initiative for new programmes, mobilizing support
the people and bringing about a coordination between the deliberat
executive and administrative wings of an organization. The Cl
Executive Officer, or the Commissioner is liable to fail in all th
functions. If indeed the arrangements for an executive separate fr
the legislative wings had any validity, then the argument should
pushed further to apply to the State and Central Governments.
would then be enough for members of an Assembly or Parliament
enact laws and decide on policies and leave these laws and policies
the Departmental secretaries to implement. As the function o
Minister is to bridge the gulf between the people and an anonym
bureaucracy, so is the function of a political executive head to act a
liaison between the citizens and the municipal administration. T
is essential to ensure accountability to the people without which i
hard to expect any governmental organization to grow.

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* *Report*, pp. 70.

IV

The third important issue relating to the question of administrative capacity of local bodies is the relationship between Politics and Administration. Reminiscent of the progressive movement in the U.S.A. the RURC adopts an *apolitical* approach to the question of local self-government. It subscribes to the view that municipal affairs should be non-partisan and above political controversies. In a country where local bodies seem to founder on the rocks of local politics, it is an easy conclusion to reach and there is indeed a widespread protest among administrators, teachers, and the well-to-do against municipal politics. The RURC is also not immune from this kind of thinking. Dwelling on the role of political parties, it very clearly asserts that, "Municipal utilities, sanitation, public health and provision of various other amenities are meant for the convenience and the well-being of all citizens and should not be matters of political controversy. The committee are of the view that most of the local bodies in India are torn by party factions and do not fully devote their time and energy to serving the people. It seems, therefore, necessary to rid the local authorities of party factions and sectional *or group* interests."[10] It is true that the RURC later admits that "any attempt to exclude political parties from the arena of local affairs is likely to end in failure. The alternative is that political parties should play an important role in building up political participation." It is hard to escape the feeling that the RURC failed to do some hard thinking on the issue of appropriate relationship between Politics and Administration. The views expressed here may indeed be unconventional, but the conventional is not necessarily correct. In the first place, to make a plea that the local authorities should be rid of factional politics and then admit in the same breath that it is difficult to exclude political parties from the arena of local affairs is the kind of woolly thinking that pervades the entire RURC Report. What is a political party, any way, without its factional politics? In fact, where in a democratic country exists a political party without its factional politics? And speaking in realistic terms, is it reasonable to expect political parties in India without their factional politics? Is it fair to expect from our political parties a behaviour in local affairs any different from that at the state or Central levels? The RURC obviously does not seem to bother about these intractable questions and resorts to facile statements. After all that it says earlier, it goes on to say that "Persons without party labels but otherwise considered deserving honest and useful should be encouraged to join the local bodies". It seems that the RURC after

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[10] *Report*, p. 111.

making a reluctant concession to the inevitability of political parties in local affairs, really hopes that local affairs should be raised above partisan politics.

Apart from the issues raised above, one must face the question whether local affairs are or can hope to be really non-partisan affairs. Municipal utilities, sanitation, public health and education may appear to be matters of public convenience, that should be above political considerations, but in fact are hardly above political controversy. In a developing country, where basic amenities and facilities are still not available to the bulk of the people, the increase in these amenities and their wide distribution involves massive capital investment and maintenance expenditures. Not more than a small percentage of the people who need these amenities in increasing quantities are in a position to pay for them. The burden of meeting the rising expenditures involved in the supply of these amenities must be met by some people. Under the present conditions, it is mainly those who pay the property taxes to local bodies shoulder the burden. It is not questioned that it is the better off people who ought to bear the burden. But in almost all local bodies, municipal councillors or commissioners belong to the rentier class which is called upon to share the maximum burden. The fact is that these people are reluctant to raise direct taxes which are likely to hit their pockets most. It is this and nothing else that accounts for the reluctance of local bodies to raise direct taxes, and unless the local power structure changes radically, there is no escape from this widespread reluctance to improve fiscal administration of local bodies and even opposition to its betterment. The RURC appears to have overlooked the redistributive aspects of increasing municipal functions and the essentially political character of achieving improvement in urban development.

The situation then may appear to be hopeless. Under the powe structure prevailing in our towns and cities, where those who contro local bodies must impose upon themselves the burden of civic improvement, it is unrealistic to expect them to do so. Thus the conflict between the locus of power and the goals of development is at the roo of stagnation in local bodies. It is undoubtedly beyond ordinary administrative prescription to suggest any remedy to resolve this conflict. But it is one thing to face up to a situation in a realistic way and another to prescribe easy and unrealistic solutions. The conclusion, therefore, is inescapable that not much help is forthcoming fron the existing leadership, and the programme of civic improvement mus indeed wait upon their internal changes in the local political system or on substantial aid from outside. The second needs full emphasi

and indeed calls for greater administrative assistance and financial aid from the higher Governments.

The RURC Report devotes a chapter to the discussion of relations between the higher Governments and local administration. It is right in accepting the fact that this relationship should be one of partnership between the local and higher Governments. In its discussion the RURC, however, places the main tasks of administrative guidance on the State Governments and we find in the Report a number of well-known platitudes about techniques and machinery for proper control and guidance of local authorities. In addition, however, the Committee also makes the following useful recommendations for toning up the administration of local bodies :

(1) A Directorate of Urban Local Administration.

(2) A Personnel Section in the Directorate to control and regulate the State cadres of municipal employees.

(3) A Central Valuation Section to guide and control the work of valuation officers and to act as the appellate authority for valuation of property.

(4) A Planning and Finance Cell to guide and assist urban authorities in preparing their five year plans.

(5) An Inspectorate at the field level.

(6) A section under the direct control of the Director aided by Inspectors, to give general directions and exercise supervision over the working of local bodies.

All this is fine, but does not appear to meet the crisis of the situation. There can be absolutely no quarrel with the view that State Governments must pay more attention to the problems of local government and, in order to accomplish this object effectively, should begin with creating appropriate agencies at the State level. It would be again overlooking the realities of the situation to think that these otherwise admirable administrative devices will succeed in successfully contending against the political forces of the State working in the opposite direction. The Committee owed it to itself and to the country to mention in the most blunt manner that the State Governments have been guilty of default and discrimination in their policy towards local bodies, and that the lack of appropriate administrative supervision at

the State level in fact is a reflection of the politics in the States. It is, therefore, imperative that the Union Government, in spite of the constitutional provision regarding local government being in the State List, must find ways and means and set about the task of modernizing the local self-government in the country. It is, therefore, a pity that the RURC could not devote more than a brief paragraph to the future role of the Union Government and it made even this brief role merely of an academic nature. It says, "However, the role of the Union Government in stimulating the growth of local institutions is not unimportant. The Union Government should organize research and higher training at the national level and recommend standards of services. Through periodical conferences, seminars and consultation, the Union Government can stimulate thinking and bring about some uniformity in the working of local bodies.[11] It is indeed idle to take shelter behind the above constitutional provision and execuse the Union Government from playing a more active and practical role in the development of local authorities whether rural or urban. The U.S.A. is much more federal than India, and there State autonomy is a far greater reality, and the States are very jealous indeed of their constitutional rights. In that country, however, there is a separate federal department for Housing and Urban Development. If India has set before itself the task of achieving a socialist pattern of society, the Union Government must translate this goal in terms of improved living conditions for the mass of the people and this can be achieved only if the Union Government participates in these tasks of community building more effectively than what the RURC envisages for it to do. In this connection, it is heartening to find that notwithstanding the RURC recommendation for a timid role of the Union Government, the Central Ministry of Health and Family Planning has been recently expanded to include Urban Development. One would ardently hope that this reflects a greater awareness of the importance of the subject and will herald a new era of Union Government's active and sustained role in the nation-wide development of our towns and cities as well as the villages.

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[11] *Report*, p. 121.

DIGEST OF REPORTS

U.K. REPORT OF THE COMMITTEE ON THE MANAGEMENT OF LOCAL GOVERNMENT, Government of U.K., London, 1967, pp. 176.

The Committee was appointed by the Minister of Housing and Local Government "to consider in the light of modern conditions how local government might best continue to attract and retain people (both elected representatives and principal officers) of the calibre necessary to ensure its maximum effectiveness".

There was a feeling in the country that although excellent work was being done by many of the 43,000 men and women members of the 1,450 councils elected to govern the towns, counties and rural districts of the country and by many of the 1,900,000 paid servants of those councils, yet the country was not getting full value in terms of human happiness for the time and money spent. It was partly due to defects in the present local government structure of areas, authorities and functions (now under review by the Royal Commission on Local Government in England). But it was also due to other causes, and it was with these that the Committee had been concerned in this Report.

In the opinion of the Committee there were three main reasons for these defects. First, it was due to the survival of a nineteenth century tradition that council-members must themselves be concerned with actual details of day to day administration. In consequence, the local authorities still rely on an elaborate system of committees and sub-committees, and the paid officers are not sufficiently trusted to take action without reference to members. Secondly, Parliament, Ministers and the Whitehall departments have come increasingly to lose faith in the responsibility of locally elected bodies. People of the required calibre will not make themselves available, either as members or officers, unless this tendency is reversed. If local democracy is wanted in U.K., the national government must give local authorities a large measure of home rule; and finally, in local government often there is too wide a gulf between the governors and the governed.

The value citizens shall get from time and money spent on local government will depend on the calibre of Council Members and their paid servants, on the way they organize their work, and on the degree of mutual understanding established between them and the people of the local communities they serve. Each authority, therefore, will have to solve its own problems of internal organization and relationship to the local community. And on the solution of such problems will largely depend the calibre of men and women offering themselves for election as Council Members or seeking a paid career in local government. In the light of this background the Committee made the following recommendations to reform the management of local government in U.K.

INTERNATIONAL ORGANIZATION OF LOCAL AUTHORITIES

(1) There should be a clear division of labour between council members and officers on the following lines: (*a*) Ultimate direction and control of the affairs of the authority should lie with the members; (*b*) The members should take the key decisions on the objectives of the authority and on the plans to attain them; (*c*) The members should review, periodically, progress and performance of the services; (*d*) The officers should provide the necessary staff work and advice so that the members may set the objectives and take decisions on the means of attaining them; (*e*) The officers should be responsible for the day to day administration of services, decisions on case work, and routine inspection and control; and (*f*) The officers should be responsible for identifying and i olating the particular problem or case which in their view, and from their understanding of the minds of the members, has such implications that the members must consider and decide on it.

(2) The council members must exercise sovereign power within the authority and accept responsibility for everything done in the name of the council. But having settled the policy they must delegate to officers the taking of all but the most important decisions.

(3) Local authorities should establish a managing body, to be called 'the management board', composed of from five to nine members of the council, with the following functions: (*a*) To formulate the principal objectives of the authority and to present them together with plans to attain them to the council for consideration and decision; (*b*) To review progress and assess results on behalf of the council; (*c*) To maintain, on behalf of the council, an overall supervision of the organization of the authority and its coordination and integration; (*d*) To take decisions on behalf of the council which exceed the authority of the principal officers, and to recommend decisions to the council where authority has not been delegated to the management board; and (*e*) To be responsible for the presentation of business to the council subject always to the rights of members under standing orders.

(4) Committees should cease to be executive or administrative bodies. No committee should have more than 15 members. Their main functions should be deliberative in the sense that: (*a*) They make recommendations to the management board on the major objectives of the authority and study and recommend the means to attain these objectives; they examine new ideas which they and other organs have formulated; (*b*) They have a duty to review progress on plans and programmes and on the operation of individual services as the management board does for the whole range of services; (*c*) They consider the interests, reactions and criticisms of the public and convey them to the officers and if necessary to the management board; and (*d*) They consider any matters raised by their own members or referred to them by the management board.

(5) There should be as few committees as possible, perhaps not more than half-a-dozen even in large authorities. Each committee should concern itself with a group of subjects, for example child care, personal health and welfare might be the concern of a single 'social work' committee.

(6) Committees should take executive decisions only in exceptional

circumstances when the management board requires them to do this. These fields of decision-taking should be strictly defined by the management board and it should be made clear that the committees issue instructions to the officers only on these matters.

(7) The management board should be the sole channel through which business done in the committees reaches the council. It would itself formulate and present proposals requiring council approval. It would also propose the establishment and dis-establishment of committees. It would serve as the focal point for management of the authority's affairs and supervise the work of the authority as a whole.

(8) If the council is organized on party politics lines, the minority party should be offered representation on the management board: thus knowledge of council business would be shared, and the experience gained by minority-party members would prove valuable if, after an election, their party secured a majority of council seats.

(9) A Council should be free to pay the members of its management board a part time salary (say, £ 1,000 a year in the largest authorities), additional to any allowances payable to ordinary council members.

(10) Each authority should appoint a clerk as undisputed head of the whole paid service of the council. He should not necessarily be a qualified lawyer but should be chosen for qualities of leadership and managerial ability. He would be chief officer to the management board and through it to the council. The duties of the clerk should include ensuring: (*a*) The effectiveness and efficiency of the organization and the coordination of its activities; (*b*) That the management board is adequately serviced to carry out its responsibilities by providing coordinated and integrated staff work and seeing that its decisions and those of the council are implemented; (*c*) That effective control systems are devised and applied; (*d*) That, under his leadership, principal officers work as a team, that able officers are given opportunities for self-development with responsibilities to match their talents, and that initiative and innovation are encouraged; (*e*) That secretarial services are provided for all committees; and (*f*) That an effective establishment organization is set up to secure economy in the use of manpower.

(11) Departments should be grouped under not more than, say, half-a-dozen principal officers and they should form a team under the Clerks' leadership and report to the council through him.

(12) The principal officers should advise the management board and the committee as necessary and provide the necessary staff work together with professional and technical advice as requested.

(13) Emphasis should be placed on the collective responsibility of the management board for what they decide as a majority and not on the individual responsibility of a member, although individual members of the management board should have special spheres of interest and speak on them.

(14) The full council would debate and decide questions put to it by the management board, which would sometimes circulate before debate 'white papers' on important issues of policy. Full opportunity should also be given in council for members to ask questions and table motions for debate.

(15) It would be essential for the management board to retain the confidence of at least a majority of council-members. If it lost this confidence it would resign and the council would appoint a new board.

RELATIONS BETWEEN CENTRAL GOVERNMENT AND LOCAL AUTHORITIES

(16) There must be a fundamental change in the attitude to local government of the national authorities. The trend of recent legislation and the practice of government departments have been steadily reducing the discretion of local authorities and converting them into agents of Ministers and Whitehall. This tendency must be arrested and reversed; otherwise persons of the calibre required for effective local democracy will not offer themselves for election.

(17) The Government, in consultation with the local authority Associations, should examine existing legislation to see what provisions might be repealed with a view to leaving local authorities the maximum freedom in organising their affairs and carrying out their work. Local authorities should be given (as in Sweden and other countries) a 'general competence' to do what they think necessary for the good of the people they serve.

(18) Local authorities must be allowed to determine their own internal organisation. Legislation prescribing the appointment of particular committees for education, child care, health, welfare, etc., must be repealed.

(19) The Government should consider setting up an enquiry in the hope that it may be found possible to appoint a single Minister who would be responsible for coordinating the policy of the Central Government in so far as it bears on the functions of local authorities (*e.g.*, of housing, education, public health, transport, etc.).

(20) The Ministers should play no part in the appointment or dismissal by local authorities of the principal officers.

(21) Councils should themselves determine the scale of financial allowances which members can claim, but the appropriate Minister should sanction the scale of part-time salaries payable to members of management boards.

(22) In the interest of the national economy, Whitehall must continue to control local programmes of capital investment, but this control should no longer be used to prescribe the details of the programme.

(23) The whole complex of central administrative control needs to be revised, reduced and simplified.

(24) The taxing powers of local authorities must be strengthened and the dependence of local government on central finance reduced.

(25) There is a need for a new organization to represent and promote the common interests of all types of local authority in relation both to central government and to the public. This organization, to be called, perhaps, the Local Government Central Office, would bring together such central institutions as already exist. The cost of this organization should be shared between all local authorities, as they all would benefit from it. This organization should include sections to : (*a*) review in collaboration with the central government the powers of local authorities and the administrative controls exerted by the departments;

(*b*) carry out or promote research, and gather intelligence and statistics, relating to the range of services which local government provides, the internal organization of local authorities and the development of management services; (*c*) operate the central staffing organization (as proposed by the Committee on Staffing) together with the Training Board; and (*d*) provide a source of information for members so that they can keep abreast of developments.

PUBLIC AND LOCAL AUTHORITIES

(26) The gulf at present separating the local governors from the public must be birdged and the intelligibility of local government greatly increased.

(27) Elections to all types of local authority should take place every three years and on the same day throughout the country. The system of annual elections whereby one-third of the councillors retire every year results in timidity of outlook by local authorities and the absence of a long-term view. The present variety of electoral systems is partly responsible for the fact that half the electorate does not vote at local elections and over half the seats are uncontested. The system of triennial elections should be applied in all types of local authority.

(28) In even the largest authority the council should not consist of more than 75 members. Each ward should be represented by only one member.

(29) The office of alderman should be abolished and seventy should be the maximum age for standing for election.

(30) Local authorities should make greater use of the cooption of additional members to committees as a means of involving in some aspects of local government a large number of people with special knowledge. These coopted members should continue to have the right to vote.

(31) Released by the council's better internal organization from the tyranny of detailed agenda-papers and sub-committee meetings, Council Members should spend much more time in personal contact with their constituents.

(32) Schools should make the preparation of older children to play an active and useful role in their communities in adult life an important element in the curriculum; schools should consider how they may develop in their pupils an understanding of the community's physical and social environment and the way its needs are met, and of their responsibilities to it. The coming generations should have more chance of regarding local government as the lively democratic activity of good neighbours, rather than something deadly, dull and irrelevant.

(33) Closer relationships should be developed by local authorities with voluntary organizations to supplement the work of the authority and to assist in the association of the community with that work.

(34) Local authorities should set out major proposals or issues in council papers as public documents, on the analogy of 'White Papers', with a wide circulation and well in advance of debate in the council.

(35) Local authorities should give high priority in Standing Orders to Question Times and to time for

debates on Motions so that members may obtain information publicly, challenge the actions of the manage ment board and engage in debates on topics of their own choice.

(36) Local authorities should ensure that arrangements at the council offices are such that the public can gain access to responsible officers to raise matters which affect them personally; these arrangements should include the availability of officers with the capacity to deal with people's problems and the competence to give answers; there should also be provided facilities which enable people to be properly received and directed. Arrangements should also ensure whereby the public can be put in touch with members if they cannot obtain satisfaction from the authority's officers.

(37) The cooperation of press, radio and television is indispensable to the success of local democracy. Local authorities should regard the press as partners in the process of informing and educating the public. This calls for deliberate and continuous efforts to enable editors and skilled reporters to understand the mind of the council, even on matters which can be explained only on a confidential basis.

(38) Efforts at the local level to establish closer contacts between the public and the council need to be supplemented at the national level. Just as there is a need for the individual local authority to be intelligible to its electorate, so local government as a whole should be intelligible to the public at large. At the national level there should be a Local Government Information Office which should be part of the proposed Local Government Central Office to contribute to the presentation of the unity of local government.

ELECTED MEMBERS

(39) Local authorities should regard it as their responsibility to ensure that their members are well informed on scientific and technical developments and on research into social problems as well as having an understanding of government and management. Training of members will not give them professional expertise; if well done it can help to give an understanding and appreciation of scientific and technical developments which from the basis of policy decisions. The local authority Associations, therefore, should seek the establishment at universities and colleges of training courses for Council Members.

(40) The Council Member is concerned with a smaller community, he is more closely involved with a smaller area, he is more likely to be personally interested in the affairs of the area he represents. The more 'local' the local authority, the more personally interested the council-members may be. Since, overriding concern must be for honesty of local administration and also for its reputation, it is necessary that legal sanctions should be retained which require a member to declare a pecuniary interest, which prevent him from speaking or voting on a matter in which he has an interest unless dispensation is granted by the appropriate Minister. However, the law relating to pecuniary interest should be consolidated and simplified.

CONCLUSION

In the opinion of the committee these proposals would encourage more men and women to offer themselves for service in local government as members or officers. But organizational changes will not of themselves achieve the purpose fully. A general change of attitude is needed

most of all. The characteristic result of local government action is seen in such material things as schools, homes, traffic signs and refuse-bins. But the purpose of such action is invariably human happiness. And the action it taken by people, for people. O local government comes increa to be seen in this light will it a people 'of the calibre necess secure its maximum effective

U.K., REPORT OF THE COMMITTEE ON THE STAFFIN LOCAL GOVERNMENT, Government of U.K., 1966, pp. 271.

In the United Kingdom the Ministry of Housing and Local Government appointed in 1964 the Committee on the Staffing of Local Government, at the request of the four local authority associations with the following terms of reference : "To consider the existing methods of recruiting local government officers and of using them; and what changes might help local authorities to get the best possible service and help their officers to give it."

The Committee, which submitted its report in 1966, made important observations and recommendations which are reproduced below :

RECRUITMENT

(1) The local authorities should recognise the growing need to recruit graduates as trainees for professional and administrative posts and the danger of not doing this; and should, therefore, place increasing emphasis on recruitment from universities and colleges.

(2) The local authorities should continue to recruit school leavers who do not go on to higher education and as to incentive to recruitment, offer good training schemes and opportunities to obtain administrative and professional qualifications.

(3) Rewards and other attractions comparable with those offered by competing employers should be offered in order to attract an tain staff of the quality that is ne

(4) It should be ensured officers responsible for recrui maintain contacts with career ters in local schools and with employment officers; these co should be supplemented by put for local authority careers orga on a national scale. Carefu tention should be paid to the ti of their approaches to school le and to the quality of their a tisements and publicity materia

(5) In providing local h services, it should be recog that local authorities are respo for one of the three main bra of the National Health Servic recruiting medical practitioners should note the changes which the recruitment and use of me practitioners in the other two.

(6) Individual local autho should consider making joint a gements between themselves for recruitment, appointment and t ing of staff.

CAREER PROSPECTS

(7) The school leaver tra when he has qualified, should the same prospects as those of graduate counterpart.

(8) The local authorities sh provide for the career of the administrative officer, subject to

size of an authority and the scope of its responsibilities, to take him to the second or third tier position in a department; he should be equal in salary and status with his professional colleagues at those levels.

(9) All senior posts in education departments, except that of Chief Education Officer and those concerned with advisory work with the schools, should be open to the lay administrative officer whose experience and qualifications are deemed to be appropriate.

(10) It should be recognized that the Clerkship of an authority, being mainly as administrative post, should be open to all professions including that of the lay administrative officer.

SELECTION PROCEDURE

(11) The advice of outside assessors in addition to that of the Clerk or establishment officer should be sought when appointing principal officers and their deputies.

(12) It should be ensured that interviewing panels of elected members for the selection and appointment of principal officers and their deputies are small.

(13) Principal officers should be given responsibility for selecting and appointing staff on behalf of the authority up to and including third tier level in the departments concerned making full use of specialist advice available in the Clerk's Department.

TRAINING

(14) The local authorities should accept responsibility for arranging training facilities and for enabling their officers to make full use of them.

(15) Adequate facilities should be provided for continued general education as well as professional training for those trainees who are recruited direct from school. Selected well-qualified candidates should also be sponsored for full-time university degree courses.

(16) Allowance should be made for training needs when fixing departmental establishments.

(17) A Local Government Training Board should be established.

(18) Each authority should accept responsibility for arranging induction training although it may sometimes be appropriate to make use of facilities provided by other authorities or by provincial councils. It should also be available for new entrants to their service.

(19) Induction training should include a study of the work of the individual authority in order to enable new entrants to make an effective contribution at the earliest opportunity; it should also constitute a necessary preliminary to officers' vocational training.

(20) All authorities should recognize that the universities will in future provide increasing numbers of professional trainees and their training programmes should take this into account.

(21) Training for professional qualifications at all levels should be by means of release for full-time, sandwich, block release or day release courses. When in exceptional circumstances study has to be undertaken by a correspondence course, officers should be granted time for study during normal working hours.

(22) Professional officers should

be given opportunities to gain the widest possible experience in their own and, where appropriate, in related departments.

(23) The local authorities should accept responsibility for arranging attendance at suitable course of professional training and should make greater use of facilities provided by local education authority colleges as well as those provided by universities provincial councils and other agencies.

(24) Greater numbers of suitable health visitors should be sponsored to take courses to qualify them as field work instructors and should sponsor the training of suitably qualified health visitors to take posts as tutors.

(25) Training for the lay administrative officer should be arranged to take account of both the work to be performed and the diversity of backgrounds of the trainees; this training should be divided into three parts : (*a*) practical experience; (*b*) general studies; and (*c*) specialist studies in administrative subjects.

(26) The clerical staff with the necessary ability should be encouraged to gain qualifications of the standard necessay to apply for entry to the training grade.

(27) Senior officers should receive formal training in management and the provisions of this training should be rapidly and widely developed.

(28) Management training should suit the needs of the individual officers through courses of an adequate standard provided at universities, business schools and colleges.

(29) A medical practitioner who is transferred from purely clinical duties to these involving responsibilities for management should receive training at an early stage that will fit him for his new responsibilities.

(30) Training should be designed to keep serving officers abreast of developments in their specialisms as part of authorities' responsibility for the continuous assessment of training needs and for providing facilities to meet them. Technical staff displaced by change should be retained.

(31) The local authority Association should give particular considerations to the setting up of a Central Staffing Organization to keep local government staff training needs under review and to perform a number of functions in relation to recruitment and training. They should determine how adequate facilities for training local government officers in establishment work can best be provided. They should establish a central body to coordinate the resources of the various agencies concerned with the provision of, or advice on the management services.

USE OF STAFF

(32) The respective establishments should be examined to see whether and to what extent work can be done without loss of efficiency by staff who do not have full professional qualifications.

(33) The local authorities should take part in an enquiry to determine whether any of the work of weights and measures administration can be satisfactorily performed by officers with less than the full professional qualification under the supervision of professionally qualified inspectors.

(34) The staff should be employed without full professional qualifications in public health inspection whenever the work can be done without loss of efficiency.

(35) Working conditions should be adequate as also that ancillary assistance and the equipment that officers require to do their jobs efficiently should be provided.

(36) The local authorities should make greater use of the management services not only to assist decision making but also to enable scarce resources to be used to the full. Authorities with limited resources and responsibilities should enter into joint arrangements for the provision of the full range of management services.

(37) There should be wide appreciation of the value and use of management services and particularly of the computer amongst their staff exercising managerial responsibilities and that officers in the trainee grade develop this appreciation in the course of their training.

INTERNAL ORGANIZATION

(38) It should be ensured that the Clerk is recognized as head of the council's paid service and that he has authority over all other heads of the departments so far as this is necessary for the efficient management and execution of the council's functions.

(39) The Clerkships should be open to people of all professions and occupations.

(40) The local authorities should consider reducing the number of separate departments by placing under one officer a group of departments which can be shown to have related functions. Appointment of officers to such positions should have particular regard to their managerial abilities.

(41) There should be allocation of responsibility for establishment matters to the Clerk or alternatively to an officer to whom the Clerk has delegated this function.

(42) A central establishment organization in a local authority should provide a number of executive services for individual departments and for the authority as a whole.

MOBILITY OF STAFF

(43) Mobility of officers between local authorities and other branches of the public service should be encouraged. Periods of secondment or attachment to government departments and statutory corporations should be arranged for local government officers and to local authorities for civil servants and officers of statutory corporation

(44) Qualified and experienced officers from the private sector should be recruited.

(45) Facilities should be developed to enable some local government officers to gain experience in industry or commerce during their period of training.

(46) There should be greater emphasis on administration and social matter in training of those solicitors who propose to follow a career in local government or other branches of the public service. The efforts now being made to extend training facilities for architects and planners should be intensified. Pupillage, in all professions where it is practised should be re-examined.

BOOK REVIEWS

URBANIZATION AND FAMILY CHANGE; by M. S. GORE, Popular Prakashan, Bombay, 1968, pp. xiv+273.

Sociological studies in India, until recently, were mainly on Rural India. Similarly, studies on Indian family are fewer as compared with other areas, such as caste, village communities, etc. Therefore, it is no surprise that Dr. M. S. Gore's *Urbanization and Family Change*, is just the third book appeared in print on Indian family in urban setting. Obviously, it is a welcome addition.

The book is divided into three parts. The first part gives an overview regarding the ideal-typical Hindu Joint Family, the nature of industrialization and urbanization in India and the relevance of these processes for understanding changes in Indian family. The data collected for the study is presented and interpreted in part II. The chapter titles in this section are suggestive of the new trends in family studies introduced by Gore. For instance, rarely Indian Sociologists dealt with the process of decision making in the family or the nature of Husband-wife and Mother-son relationships. Part III presents a succinct summary and general conclusions.

Methodological sophistication is almost unknown in Indian sociology. Fortunately, Gore's book stands as a clear exception in this regard. The author attempts to analyze the impact of urbanization on family in India. To study simply the urban family, to tackle this problem is inadequate, for, there are a number of processes other than urbanization which make inroads into the family. We need to control all other variables to measure the impact of one factor. For this, we need to employ an experimental design. Though, Gore does not spell out explicitly that he is using an experimental design, this is what in effect he has done. By studying families from three communities (urban 'fringe' and village) with varying degrees of urbanity, Gore tries to understand the impact of urbanization on family.

Equally important is the fact that only one caste group (Aggarwals) is studied. Considering the probability that different caste groups differ in their change- Proneness, the selection of one caste group is particularly happy. However, it may be noted that the caste members under consideration, even when they live in villages, are constantly exposed to urban influence because of their occupation, namely, trade, business, moneylending, etc. They function as "links" between urban and rural systems and this constant exposure to the urban world complicates the situation. For instance, it could be argued that an Aggarwal household in the urban set-up insulated in its small world need not be necessarily more "urbanized" as compared with an Aggarwal household settled in a village but constantly in interaction with the urban social system, through occupational activities. It appears, Gore is either not aware of this possibility or ignored its implications.

Many Indian sociologists are highly sceptical of using questionnaires interview schedules for data collection. The present study demonstrates the futility as well as the strength of such criticisms. The carefully constructed interviews schedule used for the study illustrates that, what is important is to ask appropriate questions in order to elicit meaningful answers. However, dependence on interview schedules as the sole tool of data collection may be disadvantageous. As one reads through the books, one feels that qualitative data collected through informal interviews, case studies or observation would have offered important insights, particularly in the case of chapters 8, 9 and 10.

Prof. Gore concludes that, ". . . the sample as a whole still largely conforms to the pattern of joint family behaviour, role perception and attitudes" (p. 232). Notwithstanding the general conclusion arrived at, there is ample evidence in the data reported that the "joint family" and the "nuclear family" found in the sample do not conform to the ideal type. This situation is quite characteristic of all institutions in a transitional society. Gore could have profitably constructed a "model" of family, in transitional socities, which partakes elements of both "Joint" and "Nuclear" families. What are the specific features of family in a transitional society? Let me illustrate.

The prevalent pattern of family amongst the sample studied is, separation in residence and meals without a division of property (p. 106). The separation of residence and cooking and eating meals miminize tension between women and it facilitates the brothers to continue to work jointly in the occupational sphere. This is a mid-way arrangement. An overwhelming majority (64%) of the respondents preferred joint family not because it fostered primary group ties but due to social security and economic reasons (p. 121). If so, with increased economic development and consequent higher standard of living, the present motivation to accept the joint family life will become meaningless. It is found that, while in the area of marriage negotiations and selection, the head of the nuclear family unit may seek advice, and even accept decisions, from the eldest kin available, the area of education is relatively free from kin influence in regard to decision making (p. 154). This means, autonomy in decision making in regard to certain areas is already granted by the eldest kin or the nuclear family head is asserting his freedom. Majority of the male respondents reported that they are equally close to their mothers and wives (p. 188). This is indicative of an adaptation simultaneously to the demands of traditional and modern norms.

The implications of the interesting findings, sifted out of the book and noted above, are far reaching. The over-all impression that one gets from Gore's book is that, he has not tapped completely the richness of his empricial evidence, in theoretical terms. Of course, such an exercise would have probably thrown up a number of fresh controversies, which may be inescapable in any intellectual endeavour. It appears to me that, Gore preferred to be "cautious" and "safe" at the expense of creativity.

A final comment about some pitfalls in footnotes. In footnote 11 jati is printed as jat. Reference has been made to Aileen D. Ross for the first time in footnote as follows: "Aileen D. Ross, Op. cit., p. 246." In footnote 19, the title of Prof. Nimkoff's article is not mentioned.

Often one notes lack of uniformity in putting footnotes. One hopes these minor errors will be rectified in the second printing.

T. K. OOMMEN

CALCUTTA : 1964 —A SOCIAL SURVEY; By Nirmal Kumar Bose, Lalvani Publishing House, Bombay, 1968, pp. 328, Rs. 63.00.

The purpose of the survey was to collect information regarding:

(1) The linguistic groups in differnt parts of Calcutta;
(2) The occupation of these groups;
(3) To enquire into the working of voluntary institutions belonging to various linguistic groups;
(4) To prepare a land-use map; and
(5) To interview as many families as possible who have been resident in Calcutta for three or more generations and to make a list of the occupations by means of which each generation made its living.

The information was gathered through observations, interviews and documentary study including reports of the institutions.

The different linguistic communities have tended to build up separate residential concentrations of their own. It was also found that different language groups, by and large, are engaged in different kinds of occupations.

> "There are Hindi and Oriya speaking labourers; Hindi, Punjabi, Gujarati and Sindhi speaking upper commercial classes, Bengalis and South Indians in bureaucratic and commercial employ; small traders who are Hindus and Muslims of this State or Hindu emigrants from East Pakistan."

The languages have tended to persist and each of the groups have tried to build schools for their own particular linguistic group. There are a few upgraded schools in which English is the medium run generally by missionary organizations, but the majority of students are non-Christians. The Hindi and Punjabi groups tend to send their children to those schools.

The voluntary institutions have been created either for education, recreation, social service or for religious activities. The different linguistic groups and the different communities have developed their own set of institutions. The book gives a fairly elaborate list of all the institutions. There are not many non-communal voluntary organizations. There are some cultural organizations, political parties or associations. Eighty-five professional organizations were studied— out of which 66 were unions of labourers.

The author points out that in spite of the fact that these various linguistic groups have been living together for a long time, yet the difference has persisted and there is an attempt to maintain their separate identity. One expects that in an urban city with an element of westernisation, the differences would tend to disappear and a more homogenous urban community emerge. The present study indicates that such is not the case. This naturally raises questions from the viewpoint of national integration, developing secular values and developing a sense of belonging. From the sociological point of view, the findings are rather disturbing. Another disturbing

factor is that different groups have tended to be in the same occupation indicating that the occupation mobility is not great. One usually assumes that in an urban city, one can change from one occupation to another but the present study suggests that there is a tendency for each linguistic group to continue to be in a particular type of occupation. Among the Bengalis themselves, different caste groups have ended, by and large, to keep to their traditional occupation. There is need for a deeper analysis of this socio-economic phenomenon. The easy assumption that urbanization tends to bring in modernization, rationalization and thus integration is shattered by the present study.

Out of 328 pages, 238 pages are given to maps of the different Wards indicating the various land-use other institutions. This rati has meant that the price of the has to be very high (Rs. 63). maps may be of some use to th man geographers and the admin tors but to an average lay re they have very little interest. study is discriptive and is limit purpose. One would have exp a more sophisticated theoretical lysis of the social consequenc the findings from the study person like Dr. Nirmal Kumar The social scientists will partic be disappointed that this is lac This is probably the first study o nature and this is its contribu Further studies on similar line benefit and develop more sophi ted approach to the study of aspects of urban areas.

A. P. Barı

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CAREER MANAGEMENT

V. Kumar

THE nature and complexity of functions performed by executives[1] in Government have changed considerably over the last few decades, necessitating a change in our philosophy of management and the capabilities which are required for effective performance in various positions. Not many executives see themselves in the roles which they are called upon to perform today. For instance, few have learnt fully the art of organization, direction of staff, planning of work, setting up of standards and the measurement of results as well as review of procedures and techniques necessary for the achievement of the objectives in view. It is, therefore, essential to look more closely at the basic problems which are posed from day to day in promoting the growth and development of individuals in an orderly and systematic manner, as no organization is stronger than the executives who plan and direct its activities. On these executives will rest the responsibility for successful operations as well as for future growth of the organization. Lack of planning for continual availability of capable people may, in the long run, seriously affect the efficiency of governmental operations and can be harmful in emergent situations.

Top executives play an important role in determining the effectiveness and efficiency of governmental operations. They should, therefore, be able to relate the accelerating rate of technological change to present and projected programmes in the organization. They must possess a sense of awareness of economic and social forces which have an impact on governmental business. In their own field they should have a fairly wide knowledge of all aspects that concern its operations. They must also acquire the know-how to introduce and carry out programmes employing a large working force. Executives with these capabilities are always in short supply and this emphasizes the need for career development to enable management to ensure that the talents of

[1] The term "executive" is used to connote civil servants who have responsibilities for direction, supervision and coordination of different functions, policies and programmes.

people are utilized to the best advantage of Government. It is no less necessary to have long range management development programmes which will help develop the needed personnel for taking over higher responsibilities and ultimately assuming top executive positions.

The Administrative Reforms Commission has recently stated that "little worthwhile attention has been paid to more progressive aspects of personnel administration like talent hunting, in-service training, career development, matching responsibility with authority and provision of opportunities for self-fulfilment in work. The technique hitherto has been to administer through a system of rules and regulations, which are taken to be an end in themselves and not a means to an end. In our view, the present system of personnel administration is considerably out of tune with the requirements of the new situation".[2]

In this context it needs to be emphasized that the Government is quite alive to the importance of progressive aspects of personnel management and to the need of placing career management on a systematic footing. In fact, Prime Minister had observed about a year ago that a study should be made of procedures and mechanisms for spotting talented officers and of planning their careers suitably in terms of Government's requirements and their special aptitudes, at the same time emphasizing the need for a closer look into the existing organizational and institutional arrangements to carry out the functions which are expected of the Establishment Officer. Following this lead given by the Prime Minister, detailed studies were undertaken on: (1) the institutional framework necessary for promoting effective career management, (2) the organizational arrangements needed to facilitate coordinated personnel policies and programmes and their effective implementation, and (3) methods of identifying administrative potential.

The present article is based on the authors' report concerning the first aspect.[3] This report has been largely accepted by Government. As a follow up, it has been decided to set up an Office of Career Management in the Ministry of Home Affairs and some of the units under this office have been functioning for about six months. The functions and responsibilities of this Office are briefly described in a later section.

In regard to talent spotting, in a small measure the spotting of talent for career development has been undertaken in the past by the Establishment Officer as a part of his normal functions. These include

[2] Administrative Reforms Commission, *Report on the Machinery of the Government of India and its Procedures of Work*, New Delhi, Manager of Publications, Government of India, 1968, para 168.

[3] The other two aspects are not covered in this article.

systematic planning and maintenance of inventories of suitable officers for manning posts at the Centre, processing of appointments for senior posts, and selection of persons for assignments outside India under the auspices of the United Nations, its specialized agencies and various aid programmes. However, it is for the first time that career management on a systematic and planned basis is being attempted in the Ministry of Home Affairs. The career management programme, as is now being evolved, would, to begin with, be confined to members of the Indian Administrative Service, the Central Secretariat Service and those officers of other services who are on offer to the Government of India for posts at the Centre. It is, however, contemplated that after some experience has been gained, its extension will be recommended to other All-India Services and Central Class I and Class II Services. The Career Management Office will not only look after the career development of the IAS officers deputed to the Centre but will also advise the States in regard to the career development of those members of the State IAS cadres who are located in the States. The principles and concepts which should underlie such a programme of career management and the major steps which need to be taken are discussed in the next section.

THE THEORETICAL FRAMEWORK

Broadly conceived, career management is concerned with policies, procedures and practices which enable a Government organization to meet its requirements of manpower for different services or career fields. It includes assessment of manpower needs and resources of different categories, evolution of suitable criteria, policies and procedures for recruiting personnel of the right type and calibre, their actual recruitment, working out appropriate career patterns, and training and placement of personnel in a manner best suited to their fuller development and utilization of the individual skills and potentialities. The broad objective in view is to enable the organization to meet its current and projected needs of manpower skills. However, in its narrow context, career management deals primarily with ways and means for achieving optimum development and utilization of employees' skills and potential in meeting the organizational needs. Career management is equally concerned with the qualitative and quantitative aspects of manpower planning. *In the Indian context, it does not cover the actual process of recuritment and selection.*

Career management programmes involve long range, systematic projections both of needs and resources of manpower skills. Another important constituent of career management is career development by

which we understand experiences, such as training, work assignments, education and allied activities, which prepare employees for anticipated needs as well as for work which is being currently performed. Career development implies a planned system of development and career progression of employees, which may not be within a single functional group but may stretch across functional and organizational lines when it is felt that an employee can be developed or utilized more effectively by doing so. Again, 'management development', *i.e.*, development of managerial skills, constitutes a basic element in career management. A programme of career management would thus include not only career development, management development and certain aspects of recruitment, training and promotion policies and practices but also an analysis of functions and duties at different levels and in different jobs and assessment of the existing and projected needs as well as of resources of manpower skills.

Long-range programmes for the development of and utilization of personnel skills and potential have several aspects, the following of which are of particular interest:

(1) Studies in manpower planning for estimating and analysing future staffing requirements for all categories in the light of current needs and anticipated developments;

(2) Study of organizational structures and operations with a view to determining what posts require men with growth capabilities, which need persons with moderate abilities for carrying out routine programmes which need highly skilled specialists, etc;

(3) Studies of personnel policies and practices with a view to ensuring the utmost utilization of the available manpower and securing the greatest return on investment in people by putting the right man in the right job; and

(4) Ensuring intake of talented personnel; choosing staff with potential for growth, and training them to understudy the given posts in the organization; and ensuring that steps are being taken on a planned basis to prepare back stops so that persons with the requisite skills are available at the time required.

These considerations for the effective utilization of manpower resources lead us to a number of phases in the career management process, each of which is complementary to the other and cannot be considered in isolation.

The main phases of a programme of career management are : (*a*) functional analysis and inventory of existing and future needs of manpower of different categories; (*b*) assessment of the existing and projected resources of manpower skills; (*c*) career development (evolving of career patterns and individual career plans), and (*d*) development of management skills through appropriate programmes of training and assignments. Each of these components is discussed in details in the following sections.

(1) FUNCTIONAL ANALYSIS AND INVENTORY OF MANPOWER NEEDS

The first component of a career management programme is an inventory of current and projected needs of manpower of different categories. Such an inventory will take into account combination of knowledge, skills and experience required for effective performance in jobs at different levels in various career fields, difficulties and responsibilities at different levels of management, likely changes in manpower requirements as a result of plans of development, organizational growth and other factors, etc.

For the preparation of an inventory it will be necessary to collect all relevant information about related jobs. The mechanism of collecting and compiling the information is discussed later. What needs to be considered first is the data required to be collected to facilitate the preparation of an inventory containing such information as will facilitate the several personnel management actions. Broadly, the steps to be taken can be classified as follows:

(*a*) Analysis of major functions;

(*b*) Determination of the composition of different career fields into which jobs can be grouped. The precise make-up of a career field will depend upon various factors and require detailed consideration;

(*c*) Compilation of related jobs in different career patterns; and

(*d*) Arranging related jobs in an order of progression.

Analysis of Functions

An inventory of manpower needs is the basic importance in a system of career management. Apart from providing complete information on the number of jobs in each functional group and sub-group it will also provide information on the skills required for efficient performance in each position and provide information which

will facilitate development of career patterns and placement of people who will best meet job requirements.

Analysis of major functions is the first step in the process. It will be necessary to divide governmental activities into a number of broad areas, for instance, scientific, economic, social, financial, etc. In the economic field may be included such activities as industries, trade and commerce, financial management, planning, etc. In the social field activities like cooperation, community development, social welfare, rehabilitation will fall. Each of these groups will further require to be subdivided into specialized fields. As an illustration, the chart at page 853 shows the main groups and sub-groups for some administrative and economic positions. The jobs in each group and sub-group will be classified into series, which are shown vertically in the chart.

To carry out this process, posts should be studied with respect to duties, responsibilities and qualification requirements. Through the examination of duties, responsibilities and qualification requirements, positions can be classified. Jobs must first be classified according to major functions, then divided into groups, and further subdivided into fields of specialization (or series). This will lead us to a stage where functional designations are quite specific and expressive of the nature of work. It may not be advisable to extend this process further as that will result in over specialization and even fragmentation of a functional structure. The broad classification plan mentioned above will serve the following objectives:

(*a*) To establish and maintain an orderly functional structure which will both reflect and accommodate a wide variety of functions and positions;

(*b*) To identify and describe the key characteristics of the functions that are significant for distinguishing one job from another;

(*c*) To set out the knowledge, skills and abilities required for the performance of work at the several levels in each functional group or specialised field;

(*d*) To provide insight into those elements of education, experience and ability, which are significant in identifying individuals possessing capacity to perform the work; and

(*e*) To facilitate the judgmental processes involved in carrying out placement, training, promotion and other personnel functions.

POSITIONS ARRANGED ACCORDING TO FUNCTIONS, GROUPS AND SERIES

Functional Groups	Administrative				Economic												
Sub-Groups →	Clerical and Stenographic Group		Adminis-trative Group		Financial Group			Industrial Group		Trade and Commerce Group			Business Management Group				
Series → / Levels ↓	*Clerical*	*Stenographic*	*General Administration*	*Personnel Management*	*Revenue and Expenditure*	*Budget*	*Economic Affairs*	*Industrial Planning*	*Technical Development*	*Planning*	*Inland Trade*	*Foreign Trade*	*Financial Management*	*Labour Management*	*Marketing Management*	*Industrial Management*
1																	
2																	
3																	
4																	
5																	

Preparation of Inventory

Statistics of the various types of jobs will be of considerable assistance in preparing an inventory but they cannot be regarded as the sole basis of analysis. At the most, statistics may give a quantitative break-up but will not provide a qualitative analysis which is needed for career management.

The basic data required in preparing an inventory of manpower needs is as follows:

(*a*) number of jobs at each level of career field;

(*b*) number of vacancies likely to occur during the period under study due to retirement;

(*c*) the normal turnover rate other than retirement; and

(*d*) the likely changes in manpower requirements as a result of planned or anticipated changes.

It may be emphasized that although the inventories of manpower needs can rarely be predicted on a very precise basis, they are nevertheless essential for effective planning to meet long range manpower needs.

Collection of Information

The following information about each job or position will be required to be maintained systematically for use in career management. It will be useful to collect and codify the information as far as possible in such a manner as to simplify data processing requirements:

1. Location — Name of department. (It may be more convenient to collect information department-wise than Ministry-wise, as allocation of work to Ministries changes more frequently than allocation of work to departments.)
2. Designation
3. Functional group (*a*) functional group
   (*b*) sub-group
   (*c*) series

Very simple numerical notations can completely define a position. For instance, if the economic positions are represented by

E and the trade and commerce group is represented by the number 100, the foreign trade series within this group can be designated as *E*-107. Level 3 in this series can be designated as *E*-107-03 which defines the position completely.

4. Minimum qualifications	(*a*) educational qualifications (*b*) experience (*c*) abilities
5. Position	A brief statement of duties and responsibilities
6. Class of position	(*a*) subject matter of work allotted (*b*) level of difficulty and responsibility

The following form is being introduced for the collection of the above information on positions:

JOB CLASSIFICATION

		CODE
1. Job title	______	
2. Functional group	______	
3. Sub-group	______	
4. Series	______	
5. Grade	______	
6. Ministry	______	
7. Department	______	
8. Incumbent	______	
9. Service	______	
10. Date of appointment of present incumbent	______	

A. General functions of job

....

B. Basic duties and responsibilities

....

....

C. Whom and how many persons does incumbent supervise?

....

....

D. In performing his job, what other persons and areas in the organization (as well as outside) must he deal with? Explain.

....

....

E. Qualifications for the position

(*i*) Education ....

(*ii*) Work experience ....

(*iii*) Specific work and other knowledge required ....

(*iv*) Skills necessary ....

(*v*) Other qualifications ....

Information Retrieval

For operating any system of career management it is important to store the above mentioned information and the data needed about each executive (*vide* the next section) in such a way as will facilitate its quick and easy retrieval. The first step necessary for introducing a proper system of information retrieval is the preparation of card indices. These cards can then be microfilmed for use on a microfilm reader. Information on any position can be retrieved by making a photo-copy. The same information can be stored on punched cards and kept on tapes after processing through a computer. This will enable retrieval of information for a variety of purposes, for instance, positions at each level and their location, preparation of an inventory of all positions, etc. All these three systems—card index, optical scanning based on microfilms, and electronic data processing—are being introduced in the Establishment Officer's organization in the Ministry of Home Affairs. Card indices and microfilms in respect of the members of the IAS have been completed. A manual which will enable this programme to be computerised has been prepared.

(2) INVENTORY OF CURRENT AND PROJECTED MANPOWER RESOURCES

An inventory of the existing manpower resources and those which are likely to be available in the future is an essential requisite for assigning employees, developing their potential, planning their career, etc. For estimating future manpower resources we would need an inventory of our current manpower resources and information on manpower growth.

Current Manpower Resources

In a management-personnel inventory of current available manpower, the following information will be required:

(*a*) Personal data,

(*b*) Education,

(*c*) Training,

(*d*) Position data: Functional group, level and organization,

(*e*) Chronology of experience, and

(*f*) Performance appraisals.

The above profiles can be kept current by feeding information available from periodic records.

A card layout which has recently been introduced in the Ministry of Home Affairs for maintaining this information, in regard to all members of the IAS and Central Secretariat Service, is given at page 859. For want of space it is not feasible to go into the details of this system in the present paper.

Projected Manpower Resources

Inventories of the number of employees who will be available to meet the various anticipated manpower needs are generally based on actuarial estimates and are predicted on the basis of past experience. While this could serve as a basis for a preliminary study of available manpower resources, it suffers from a serious defect—it does not help identify individual employee potential as a basis for career planning and development. Identifying employee potential, although not an easy task, is important and should be regarded as an essential task.

While it must be admitted that objective techniques for determining employee potential are still very crude, the need to identify such potential cannot be overestimated. More than on actuarial estimates, therefore, we must depend on human judgment in identifying such potential. In other words, we cannot set up an elaborate system with fixed criteria which will automatically establish priorities for career development opportunities, as there are too many variables to be considered in identifying administrative potential.

The inventory of projected manpower resources should be based on potential for growth. Some methods of identifying potential have been studied and a separate report on 'identifying administrative potential' is under preparation.

Utilization of Inventories

The inventories of current and projected manpower resources will be useful in the following ways:

(*a*) In providing a means for identifying weaknesses in personnel and thus helping to establish a management development programme;

(*b*) As a basis for planned career progression;

(*c*) In providing a scientific basis for selection from eligible candidates for career advancement and promotion. The inventory will help identify all employees within the 'eligibility zone'. Thereafter the candidates can be evaluated by promotion panels and by other means;

(*d*) In locating qualified administrators for filling administrative positions in a systematic manner;

(*e*) In locating administrators or consultants and experts in specific areas;

(*f*) In identifying manpower resources based on any desired criterion and in a manner which will enable the best use to be made of manpower to meet the immediate and future needs for career leadership; and

(*g*) For projecting manpower resources.

(3) CAREER DEVELOPMENT

Development of Career Patterns

Development of career patterns will guide the employee in self-development from the stage of entry into service to the stage of reaching

the top level. This will help the employees in indicating their own preference, and the Government in identifying the availability of manpower possessing the required skills.

As has been said earlier, it is necessary to divide governmental activities into a number of groups, *e.g.* : (*a*) scientific, (*b*) economic, (*c*) social, etc. Each of these functional groups will further require to be sub-divided into sub-groups and then into series. In preparing a career pattern, provision should also be made for cross-movement from a field of activity to another related field of activity in another main or sub-group. This will facilitate cross-fertilization of ideas. The qualification and experience requirements of the different jobs will have to be gone into in great detail to enable patterns of progression to be prepared.

It will, therefore, be necessary to determine whether or not jobs share sufficient common characteristics and also whether there can be potential interchangeability of personnel. Consideration must also be given to staffing requirements of each field.

The following points, therefore, need closer examination and attention:

(*a*) promotion patterns;

(*b*) current as well as future manpower requirements for posts at all levels;

(*c*) the particular combination of experience that is required for effective performance in posts;

(*d*) each career field must contain 'developmental' patterns that will produce employees with the type of diversified experience needed for assignment to such positions;

(*e*) Preparation of charts showing common lines of movement and progression will be of invaluable assistance for evolving different career plans; and

(*f*) No career patterns should operate on a closed door basis. There should be no hesitation in preparing individual career plans which depart from the typical pattern.

Individual Career Plans

The personal interests and capabilities of employees should be taken into account more positively in assigning them. A number of

young officers visualise career plans of their own which to their disappointment do not always materialize, resulting in lack of interest in the work assigned to them. In situations where management does not involve employees in planning their career, individual employees generally do not show their real worth in their assignments and the management does not get the best out of its manpower. Consequently, career plans of both management and employees should be properly matched for best results.

As regards preparation of individual career plans, the employee alone has the information required by management for a sound individual career plan. An expert, proficient in counselling, can obtain considerable pertinent information from the employee. Such information from employees, along with demonstrated interests, abilities and traits, can provide a reasonable basis for predicting employee potential. Complete and valid information cannot be obtained for planning individual career by management through methods which do not demonstrate the use of such information for achieving the goals of employees as well as of management.

Most able people refuse to be moulded by others. We must be quick to realize this in time in order to make the most of the capabilities of such people. It would, therefore, appear that it is necessary to obtain effective participation of employees in planning their careers. The following points need to be considered:

(*a*) Within the limits of the organization's functions and manpower needs, management must provide a flexible system which will permit tailoring of career plans in accordance with individual interests, abilities and aptitudes as well as to organization's manpower needs.

(*b*) In addition to providing a flexible system, professional counselling is essential for both the supervisor and the employee in their career planning and development efforts. To provide sound career counselling the employee development officer must have sound knowledge of human aptitudes, interests and abilities and should be able to identify them. He should also possess the knowledge of different career patterns, the opportunities that they offer and the human characteristics needed for success in each one of them. He must know how the needed employee talent can best be developed and he must be able to communicate his knowledge and insight to both the employee and the management.

Assignment

In governmental assignments, executives move too frequently from one job to another and sometimes move to jobs wholly unrelated to their previous experience, abilities and aptitudes. At the same time there is inadequate encouragement or reward for outstanding performance.

Frequent job changes produce only generalists and prevent personnel from specializing in areas of their assignments or in those areas where they show promise and have interest. This not only prevents employees from maturing but also deprives the Government of valuable experience acquired by those employees in useful positions. Many employees, therefore, lack full knowledge of their jobs as they are not able to develop expertise in depth in any aspect of the administrative field. Government departments have expanded so much and the areas of activities have become so vast and are so full of technicalities and complex arrangements that it takes quite some time to acquire familiarity, much less specialized knowledge. This may manifest itself in faulty planning and defective execution.

What is, therefore, required is a system of deployment, which should concentrate on progressive deployment within a broad speciality and between related fields of activity. In this connection the following guidelines may be useful:

(*a*) Job classification is a very important guide in indicating the skills, the level of responsibility and the overall evaluation of the job and these criteria should determine the selection of personnel to occupy the position;

(*b*) The position should be filled up by selecting employees who are fitted best by experience, training and potential;

(*c*) The experience required for filling up of a position and the level of responsibility which goes with it as well as the qualifications required for performing the job should be reviewed periodically by management; and

(*d*) Career patterns are a valuable aid in assigning people and planning careers, and a choice should be made from several career patterns to suit the interests and abilities of individuals. Once assigned to a particular career plan the employee should be allowed to continue there unless it is established that the particular career pattern chosen does not suit the employee or that he will do better in another career pattern.

(4) MANAGEMENT DEVELOPMENT

Management Development occupies a very important place in any scheme of career management, and management development techniques provide the necessary tools for the effective implementation of a career management programme. Whereas some of the career management aspects considered so far provide mainly a statistical framework for management purposes; development techniques will help to develop these skills which may be considered necessary for effective performance in various positions.

In any scheme of management development, the first essential requirement is a programme for acquiring knowledge of basic management tools and for developing basic management skills, as these are important in the context of the functions which executives have to perform today. Only after the basic skills have been acquired can a further programme of imparting specialized skills be built on this foundation. Some of the basic management skills and tools are listed below by way of illustration. The list obviously is not exhaustive.

BASIC MANAGEMENT SKILLS AND TOOLS

(I) *Skills of Management*

(*a*) Planning:

setting objectives, formulating broad policies and programmes, planning procedures, fixing targets, etc.

(*b*) Organizing:

determining, dividing, assigning functions and authority; establishing a chain of command and coordination, channels; determining span of control; setting out guiding principles, etc.

(*c*) Establishing and maintaining controls

(*d*) Communicating:

expressing oneself clearly and precisely, both orally and in writing; skill in conference leadership; instructing employees; securing their participation, etc.

(*e*) Forecasting:

interpreting data, evaluating information and resources, etc.

(*f*) Decision making:

collecting, evaluating and interpreting data, comparing courses of action, and making the choice

(*g*) Reviewing and Appraising:

ability to judge people, to set performance standards and to evaluate how effectively these standards are fulfilled

(II) *Tools of Management*

(*a*) Research:

research in physical resources. human resources, etc.; use of modern tools such as operations research techniques, systems analysis, electronic data processing, etc.

(*b*) Plans:

policy statements, programming, budgeting (including net work techniques)

(*c*) Organization Structure:

position descriptions, position qualifications, organization charts and manuals, work flow, delegation, inter-relations between different units, etc.

(*d*) Personnel Utilization Techniques:

training and education, work simplification, work measurement, setting of performance standards

(*e*) Controls and Evaluation of Results:

budgetary control, statistical controls, information systems, internal and external auditing, techniques of evaluation of individual and organizational performance, etc.

(*f*) Human Relations:

styles of supervision, methods of motivating employees, synchronising individual and organizational goals, harnessing informal organizational channels, etc.

(III) *Special Management Skills and Tools*

In his early years every executive must acquire skills in the art of management and a basic knowledge of various tools. He must, later, specialize, depending upon his aptitude, in a broad functional area for which he is considered most suitable. As the governmental operations today cover a vast canvas of organized activity, it is necessary for the executives to develop specialized skills to ensure effective performance

in various positions. The special organizational skills go with one or more areas/sub-areas of specialized activity. Some of the fields for special management skills are enumerated below.

AREAS OF SPECIAL MANAGEMENT SKILLS

Agriculture

Agricultural economics

Agri-business management

Marketing

Marketing management

Marketing in foreign environments

Cooperatives

Management of cooperative enterprises

Consumer cooperatives

Business Management

Management information systems

Management control systems

Management techniques

Managerial economics

Business forecasting and planning

Finance

Cost accounting and budgeting controls

Financial accounting

Financial management

Management of financial institutions

Public finance

Industrial investment and investment banking

International finance

Labour

Industrial and labour relations

Labour management

Industries

Industrial development

Small Scale industries

Management of new enterprises

Economic Development

Economic development	International trade and commerce

Personnel Management

Manpower planning	Career management
Recruitment and selection techniques	Training and management development
Human behaviour in organizations	Performance appraisal
Personnel management	

Social Welfare

Planning and management of welfare schemes	Town planning and urban development
Community development	Municipal administration

Others

Office organization and methods	Transportation management

Training

In order to be effective, training assignments should occur at a time when they will have the greatest relevance in terms of trainee's past experience and anticipated assignments. It is desirable to have a broad model plan for each career group, setting out the skills required and the training required at the specified points of time to enable the employee to acquire those skills. It is neither necessary nor possible that each individual must acquire all the educational experience listed in the model plan and it should not be insisted upon. Even so, a broad model plan is useful both for the employee and the management in developing sound individual training plans.

Review of Training Needs

It is, therefore, necessary that every department must carry out an annual review of training needs of all categories of its employees and lay down principles, standards and related requirements of training programmes. The selection of trainees should be based on potential for growth and development as determined by supervisory evaluation.

It will be useful to maintain detailed information about the training requirements of all departments, the general conduct of the training activities of each department and such other information as may be necessary to enable the organization responsible for training to discharge its duties and responsibilities effectively with respect to supervision, control and review of training programmes.

In developing training programmes for each career group the requirements at different levels of management for these career groups should be clearly identified in terms of skills required. Appropriate training courses should be drawn up and job requirements worked out to impart training either on the job or in a class room. The class room training should keep abreast of modern developments and should be so designed as to provide a practical approach to the problems the employee is going to encounter in his daily assignments.

It has been emphasized that training plans within the broad framework of the requirements of each career group should be worked out for each individual. While training programmes and special assignments are useful as a means of improving a man in the basic know-how needed in his work, there is no substitute for what he learns in the day-to-day performance of his job.

However, there are many things a man needs to know to improve his job performance which he cannot learn on the job itself. The other 'development' tools and techniques are designed to meet this need for training in areas which contribute towards improvement of job performance and overall development of the individual but it will not be in the context of everyday work.

One of the techniques which has to be noted in this connection is job rotation. Many people become quite proficient in their own jobs but lack knowledge of areas outside the work they are directly involved in. It has to be remembered that job rotation will not yield much benefit unless the man being rotated is given actual responsibility in his new assignment. Just to place a man in a new work environment and expect him to learn from observation and conversation will fail to achieve the desired aims of rotation.

Training Organization

The functions of the central organization responsible for the conduct, development and supervision of training programmes should

also include the following:

(*a*) assistance to departments in the determination and review of their training needs;

(*b*) advising on the scope and conduct of the programmes and plan of each department for such training;

(*c*) setting standards for selection and assignment, for such training, of employees of each department;

(*d*) evolving appropriate policies for proper utilization of the services of employees who have undergone such training; and

(*e*) evaluation of the results of training programmes.

The Development Process

For employee development to take place it is necessary that some basic conditions must exist. Of significant importance in this connection is the creation of an internal climate within the organization where people feel encouraged to develop themselves through self-initiated work and by undergoing training. In the process, the individual goals get fused with the organization's goals. The internal climate is the most important element in determining whether an employee develops or stagnates. We have heard of persons performing differently in two separate work environments. In one, where the climate is poor, management is by the heavy hard, favouritism runs rife and the people are not encouraged to develop, there the man stagnates and does a mediocre job.

The following are some of the important prerequisites for employee development:

(*a*) A climate where people are encouraged to communicate, develop and grow and in which they will receive the same satisfaction from their work efforts as they do from play and rest.

(*b*) Taxing people to the limits of their work capabilities in order to afford them the fullest opportunities for expression and development. One of the most significant elements in development is the challenge the job provides—a challenge which may hold out the lure of success or carry with it the real threat of failure.

(*c*) Encouraging people to look upon the organization's objectives as their own and thereby work harder and think creatively.

In the process they will begin to exercise self-direction and control as well as fulfil their basic needs for finding personal satisfaction in their work. Unless properly motivated and encouraged through healthy internal climate, the basic capabilities of people are only partially realized. With proper encouragement and guidance most people will not only accept but will seek responsibility.

Phases in the Development Process

In the actual development process a number of phases in development are easily distinguishable, and an understanding of these phases will help provide an insight into the mechanics of development and may by itself suggest ways and provide data for timing job changes and providing a challenge. For managerial and executive posts, for example, the *first* phase in the development process is the 'honey-moon' period, during which the employee familiarizes himself with the job. The *second* phase is known as the 'make-or-break' phase. During this phase the employee is quite likely to put in considerable overtime and sooner or later, as a result of pressure of work, it will become clear whether he has succeeded or failed. Then comes the *third*, 'on-top-of-the-job' phase. This is the ultimate goal of the employee. When he has reached this stage he knows how to get results. He has by now succeeded in delegating responsibility and preparing himself for higher policy and execution which do not place too great a demand on his time and personal effort. Just how long this phase may last depends largely on the ability and temperament of the individual. He may find that the job may continue to hold out new problems or the possibility for the application of a variety of refined techniques. Quite often an individual will find that this challenges his abilities sufficiently to make him content to continue in that job for the remainder of his career. This is particularly apt to be the case if the activity with which he is associated is a growing one likely to be so that it continues to provide a new challenge from time to time. However, if the employee is seeking higher responsibilities he will soon begin to want a change. The *fourth* phase is turned 'levelling out'. Here the employee begins to miss the threat of the unknown challenge. He is ready to start the cycle all over again in a new assignment.

To achieve effective and continuing on-the-job development a new challenge must be provided to men who have reached the latter stages of 'on-top-of-the-job' phase or from the early stage of levelling out phase. Proper timing within reasonable limits is very important. If the move is made before the man completes the 'make-or-break' phase with a reasonable degree of success there is the danger of seriously

disrupting his development process. He goes on to the new job before he has conquered the old and may develop an attitude of looking for a similar escape from difficult assignments in future. On the other hand, if he stays on the job too long after he has entered the 'levelling out' phase, he runs the risk of being permanently locked-in to spend the rest of his career in what may appear to be a comfortable rut.

Unless management can maintain a high level of motivation, the loss to the organization by keeping an employee too long after the 'levelling out' phase may be tremendous. Even though the performance of the employee may be adequate and effective the organization will loose the opportunity of employing him in yet another challenging assignment where the employee may show even better results.

In carrying a progressive experience of this type the following stages suggest themselves:

(*a*) The employees who are successfully meeting the challenge of the present jobs and who appear to have the capacity for larger responsibilities must be identified.

(*b*) Plans as to the particular types of assignments which they need must be worked out.

(*c*) A continuous check must be kept on their progress in each assignment for purposes of properly timing job changes.

(*d*) A climate of understanding and acceptance of the programme must be created. The employees themselves must be encouraged to talk over their career plans and indicate the avenues along with which they wish to develop.

(*e*) They must have the desire and ability to take on new challenges and be willing to pay the price for it.

PROPOSED ORGANIZATION

A mention has already been made of the creation of an Office of Career Management in the Ministry of Home Affairs. This Office will provide leadership, guidance and assistance to cadre administering authorities to help establish and operate career management programmes. In particular, the functions of the Office will be as follows:

(1) To plan, develop and promote programmes for systematic career development of personnel of the IAS, IPS, Central Secretariat Service, and certain other services through the analysis of career patterns and the use of such methods as job

rotation, counselling, assignments, training courses and related employee development methods;

(2) To operate an advisory service to advise and assist the cadre administering authorities on all aspects of career management;

(3) To plan management development programmes;

(4) To plan and conduct research programmes on employee motivation;

(5) To coordinate management development programmes developed and conducted by other organizations; and

(6) To plan and operate a placement programme for officers.

Bureau of Functional Analysis

The main functions of this Bureau will be as follow:

(1) To study, establish and maintain an orderly, functional organizational structure which will reflect and accommodate a wide variety of functions and positions.

(2) (*a*) To identify and describe the key characteristics of the positions that are significant for distinguishing levels of difficulty, responsibility and qualification requirements of work; (*b*) To determine the knowledge, skills and abilities required in the performance of work at several levels; (*c*) To prepare an inventory of all positions; and (*d*) To prepare a list of positions at every level of each career field.

(3) To study likely changes in manpower requirements as a result of planned and anticipated changes.

(4) To prepare an inventory of current and future manpower requirements for posts at all levels.

Bureau of Manpower Resources

(1) To prepare an inventory of current and projected manpower resources;

(2) To identify manpower resources based on any desired criteria in a manner which will make the best use of personnel available to meet immediate and future needs for career leadership;

(3) To develop and maintain the following systems: (*a*) Electronic data processing; (*b*) Optical scanning, based on microfilms; and (*c*) Card Index system.

Bureau of Career Patterns

(1) Preparation of individual career plans;

(2) Preparation of general career patterns;

(3) Preparation of charts showing lines of movement and progression for evolving career plans; and

(4) Providing a basis for planned career progression.

Bureau of Assignments

(1) To study processes involved in carrying out placement, promotion and other programmes;

(2) To locate qualified personnel for filling administrative positions in a systematic manner;

(3) To locate administrators as consultants and experts in specific subject-matter fields;

(4) To identify employees for purposes of promotion;

(5) To evolve objective criteria and methods for selection from among eligible candidates for career advancement; and

(6) To evaluate placement policies.

Bureau of Management Development

(1) To evolve methods for identifying weaknesses in personnel and thus help establish management development programmes;

(2) To study the patterns of growth of governmental personnel and suggest what management skills need to be developed in employees;

(3) To determine the particular combination of experience that is required for effective performance in various jobs;

(4) To develop management development programmes for employees; and

(5) To evaluate the effectiveness of management development programmes.

Bureau of Research

(1) To study the different methods of identifying administrative potential and suggest ways and procedures which are most suited for selection for a particular assignment;

(2) To study and devise programmes to motivate employees to strive for excellence; and

(3) To evaluate the following programmes and evolve criteria and methods for:

(*a*) assessment of manpower needs;

(*b*) assessment of manpower resources;

(*c*) management development programmes;

(*d*) promotion programmes; and

(*e*) assignment of employees.

CONCLUSION

The programme of career management which has been taken up in the Ministry of Home Affairs will cover those areas of personnel administration which are necessary for an integrated scheme of placement, training, career development, etc. We have already seen that various stages in this programme can be easily distinguished and taken up step by step for implementation. Again, the programme can, to begin with, cover one or two service groups, and later be extended to other groups. Accordingly, a start has been made with the Indian Administrative Service and the Central Secretariat Service. The first step that was considered essential was the preparation of personnel inventories. As mentioned earlier, Card Index and Microfilm Systems have been installed and a manual has been prepared for computer operation and it is expected that the programme will go on the computer very shortly. These three systems lend themselves to quick retrieval of the required information. Computer operation will also enable the preparation of inventories of personnel based on several different criteria which will be helpful for purposes of placement, etc.

The second step in the implementation of the career management programme is the preparation of position descriptions. This work has been taken in hand and a manual is now under preparation to enable this programme to be put on the computer.

After the completion of these two stages, other aspects of career management will be taken up. Sophistication of concepts and improvement in techniques is always a continuing process and, as experience is gained, it is likely that certain modifications and changes may be desirable in the scope and content of the programme as visualised today. At this initial stage of the programme it appears that a new approach will be necessary for evolving career patterns which will take

into account staffing requirements, the development of skills needed in different areas of administrative activity and the self-fulfilment needs of personnel. It is fully realized that satisfactory implementation of this programme will require suitable orientation and training of staff and this aspect is being attended to.

It need hardly be emphasized that the concepts and techniques of career management can be a great help in promoting full utilization of personal capabilities of each employee, in providing data for projecting manpower requirements and in the determination of skills necessary for satisfactory performance in various positions.

EVOLUTION OF JUDICIAL FUNCTIONS OF THE COLLECTORS IN BENGAL PRESIDENCY, 1793-1833

Chittaranjan Sinha

EXERCISE of judicial functions by those concerned with the collection of revenue was a tradition which the East India Company inherited from the Moghul rule[1]. In the initial stage when the Company's administration was confined to the zamindari of Calcutta and the surrounding areas the indigenous system of government had been followed. The Company's receiver of revenue at Calcutta also administered civil and criminal justice in a zamindari Court. Holwell, who had been the revenue collector at Calcutta from 1752 to 1756 had performed the dual function[2]. Bolts has also written about the existence of a Collector's cutcherry (Court) ever since the Company had anything to do with the collection of land rent[3]. After the grant of Diwani of Bengal, Bihar and Orissa to them in 1765, the Company had refrained from undertaking direct administration of those territories. But various reasons impelled them to "assume" the Diwani in 1772 and take over the direct administration of the provinces. Warren Hastings, the new Governor, and his Council worked out a scheme for administering the territories. Though differing in detail, the pattern then evolved adhered to the indigenous tradition of keeping the functions of revenue and civil justice united in the same hands. Collectors of revenue were appointed to various districts. Besides managing the collection they were to preside in the Civil Court established in each district. With few deviations resulting from Hastings' administrative experiments, the system, established in 1772, survived in essence until 1793. The Collectors were withdrawn in 1774 and were replaced by Provincial Councils of Revenue, which assumed both the functions of the Collectors, fiscal as well as judicial. The Provincial Councils were abolished in 1781 and Collectors reappointed to the eighteen districts into which the area under the Company's control was redistributed. But the Collectors, except those of the sparsely populated districts of Chatra, Islamabad, Bhagalpur and Rungpur (where for simplicity it was considered expedient to retain only one officer),

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1 Under the Moghul Provincial Administration the Diwan was the Collector of revenue as well as the officer-in-charge of civil judicial administration.

2 Holwell, *India Tracts*, 1774, p. 20.

3 Bolts, *Considerations on Indian Affairs* ... etc., p. 81.

were not restored their entire civil judicial authority. All cases concerning revenue were still reserved to the exclusive cognizance of Collectors in their revenue courts styled *Mal Adalats.* But the rest were made over to the Civil Judges of the districts, a post which had been created in 1780. The efficacy of this arrangement was, however, disputed by Sir John Shore, the senior member of Hastings' Council. Shore argued for retaining only one officer in the district—the Collector—who would both collect revenue and administer justice.[4] This, he said, would be in keeping with the traditional form of administration in India under which people were accustomed to look to one despotic authority for the redress of all their grievances. Shore's idea found favour with the Directors who were probably drawn to it more by the saving involved. They accordingly directed the Bengal Government to abolish the District Judgeships and to transfer their functions to the Collectors[5]. This arrangement was given effect to in 1787. Ironically, it was amongst the first acts of Lord Cornwallis, the new Governor-General, who later was to become the founder of a governing philosophy and tradition which was to stand against the extension of any judicial authority to the Collectors. When the Company's Government took over the administration of criminal justice from the Nawab in 1790[6], the District Magistracy was also conferred upon the Collector. He thus became District Judge, Magistrate and Collector, all-in-one.

That Cornwallis should ultimately have revolted against such a system was only natural. From his Whig following he had imbibed a firm faith in the principle of separation of powers. "The revenue officers must be deprived of all judicial powers. All financial claims of the public, when disputed, must be subjected to the courts of justice, superintended by Judges, who from their official situation and the nature of their trust, shall not only be uninterested in the result of their decisions, but be bound by oath to decide impartially between the Government and Proprietors of land, and between Proprietors and Tenants." Cornwallis' ideas were thus summarised in the Preamble to Regulation II of 1793 which made a complete withdrawal of judicial authority from the Collectors. The most revolutionary feature of the administrative reorganization made by Cornwallis in 1793 was the installation of an all-dominating Judge in the district harnessing the commands of justice, Police and Magistracy, and the relegation of the Collector to

[4] Remarks on the administration of justice, etc., by Sir John Shore. Bengal Revenue Proceedings, 29th May, 1785.

[5] Letter from Court of Directors to Bengal, 12th April, 1786, para 7.

[6] In 1772 Hastings had undertaken only the management of revenue and administration of civil justice. Criminal justice had been left in the hands of the Nawab and his servants. On account of a very inefficient conduct of that function by the latter, Cornwallis decided to undertake the responsibility of criminal justice and Police also in 1790.

the position which his designation implied. Even revenue cases were not left to the Collectors as had been the state between 1781 and 1787 when the District Judges had functioned alongside the Collectors. The former *Mal Adalats* of the Collectors were abolished, cases cognizable in them having been transferred to the jurisdiction of the Judges.

A factor which facilitated the complete withdrawal of the judicial authority of the Collectors was Cornwallis' "permanent settlement" which fixed the demands of the Government on the zamindars on a permanent basis and required the latter, in turn, to fix their claims on the raiyats (tenants) also on a similar basis, by issuing them *pattas* or title-deeds[7]. From this a great reduction of disputes relating to demand or exaction of revenue could be anticipated. At least it could be presumed that the demands and obligations having been put to writing, most revenue disputes could be easily decided by the Judges like any other suit. The specialized knowledge of the Collectors about the revenue settlements would no more be necessary in the trial of most revenue cases.

The Judge-Magistrate was to be the pre-eminent figure in the district. His domination over the Collector was firmly insured by the various Regulations passed in 1793. The Collector was made amenable to the Judge's Court if he acted contrary to any of the Regulations in force. He was bound to render assistance and obedience to the Judge under the pain of penalty.

Though Cornwallis' administrative ideas were held in high esteem by the succeeding administration in Bengal until the advent of Bentinck as Governor-General in 1828, the judicial system founded by him in 1793 had to undergo persistent alterations and modifications for making it equal to the demand. The District Judges came under a tremendous pressure[8] of business which they found impossible to cope with under the existing arrangements. Hence constant efforts had to be made to increase the aids available to that officer. This relief operation was mainly channellized into two directions—the enlargement of the agency of Indian Judges[9], and the transfer of a portion of his duties to the executive officer of the district, *i.e.*, the Collector.

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[7] By Regulation VIII of 1793.

[8] For example, in 1795, the Judge of Burdwan alone had 3,000 cases pending on his file. *Fifth Report of Select Committee of House of Commons*, 1812, Parliamentary Branch Collections, 1812, Vol. 56, pp. 63-65.

[9] Cornwallis had almost entirely excluded Indians from a share in the judicial administration organized in 1793.

The evolution of the judicial functions of Collectors in the post-1793 period has been analysed below in two parts, namely: (1) growth of their civil judicial functions; and (2) transfer of Magistracy to them.

GROWTH OF CIVIL JUDICIAL FUNCTIONS

Even under the arrangements of 1793 certain judicial functions had been left with the Collectors. For example, they were authorized to execute the decrees passed in cases of land revenue. By Regulation XXIV of 1793, the Collectors were entrusted with investigations into matters relating to pensions[10], and into applications for separation of *Taluks* or small estates from their dependencies on zamindaries to which they had been attached. They were also empowered to detain, attach or sell the property of persons defaulting in the payment of Government revenue.

By Regulation VII of 1794 (S. 13), the District Judges were authorized to refer to the Collectors for investigation and report, any matters of account connected with suits of rent or any other matter formerly cognizable in the *Mal Adalats*. When such a reference was made to a Collector, the parties and their Pleaders had to appear before him for examination before he framed his report. The Judge was free to reject or alter the recommendations thus submitted by the Collector. But this procedure, in many cases, rendered the Collector the person whose opinion directed the decision though he did not actually pronounce the judgment[11].

A further step in the extension of the judicial functions of the Collectors was taken by the Minto Administration in 1812. By Regulation V of that year it was made obligatory upon the District Judges to refer all suits concerning distraint or attachment of property of raiyats for arrears of rent to the Collectors for investigation and report.

The delegation of the aforesaid judicial functions to the Collector was, in fact, a concession to the practical necessity of providing assistance to the Judge for a speedier disposal of such suits, as also a recognition of the superior fitness of the Collector in the investigation of suits concerning rent.

In actual practice, however, this dual process of institution and decision before one tribunal (of the District Judge), and investigation by another officer (the Collector) was bound to be inconvenient to the

[10] It had been the practice of the previous Government (of the Nawabs) to grant pensions to various descriptions of Hindus and Muslims, like Mullas, Pandits and Faquirs. This was continued by the Company's Administration.

[11] The Directors had also made a similar observation; vide Judicial Despatch to Bengal, 9th November, 1814.

suitors and their Vakeels (Pleaders), nor could it be expected to ensure a speedier disposal of those suits.

Following the promulgation of Regulation V of 1812, a number of District Judges criticized the provision regarding the reference of revenue suits to the Collectors.

T. Fortescue, the Judge of Allahabad, summed up the inconveniences of the process in the following words:

> "They (*revenue suits*) first occupy the Court (*of District Judge*) for some time in previous preparation for despatch to that officer (*Collector*); when they are returned from him, one of the parties is sure to allege the Collector's statement, and the Judge must go over the matter afresh to settle the plaint decided absolutely on Collector's account. In the first place much time is consumed by the Court in repeated proceedings, without any material advantage from the Collector's labour; second, it would have saved the Judge's time if the Collector had originally the power to determine, at once, the dispute."[12]

Similar views were expressed by the Judges of Rajshahi[13] and Nuddea[14].

The Judges were right in contending that actual relief could be provided to them only by authorizing the Collectors to decide the revenue suits instead of merely investigating and reporting on them. In 1809, the Sadr Diwani Adalat strongly backed a proposal for authorizing the Collectors to decide the revenue suits which the District Judges might choose to refer to them for disposal, the Collectors' decisions being subject to an appeal to the Judges[15]. But with his firm faith in Cornwallis' ideals, Governor-General Minto was inclined to oppose any move for arming the District Executive Officer with judicial powers[16]. Hence he rejected the above proposal though in doing so he also advanced a practical justification. This was that there would be a risk of collision of authority between the Judge and the Collector (in the

[12] Fortescue to Government, 1st September, 1814, Home Miscellaneous Series, Vol. 776, pp. 659-66.

[13] Civil Judicial Consultations, 12th July, 1814, No. 4.

[14] Home Miscellaneous Series, Vol. 775, pp. 168-9.

[15] Civil Judicial Consultations, 17th November, 1809, No. 1.

[16] Following Cornwallis' principles Minto had resolved to bring about a complete separation between the revenue and judicial services, and had rejected outright a suggestion from the Sadr Diwani Adalat for occasionally empowering the Collectors to act as Assistant Judges.

Government to Sadr Diwani Adalat, 28th April, 1809, para 6, Civil Judicial Consultations, 28th April, 1809, No. 8.

event of the latter being empowered to try and decide revenue suits), since cases of rent and revenue often involved matters of right and possession which had to be exclusively under the Judges' jurisdiction[17]. Another objection, which the Minto Government stated to the proposal later was that in many suits originating in *Khas Mahal* lands, *i.e.*, lands directly managed by the Government (through the Collectors), the Collectors might themselves be interested parties to an extent[18]. Against these the Sadr Diwani Adalat rightly argued that if the Collector's power of decision was exercised under the control of the Judge, who would have the discretion of referring a particular suit to the Collector or not, the objections regarding the risk of collision of authority, and the Collector having to decide a cause in which he himself might be an interested party, would fall to the ground[19].

But the Minto Administration kept stubbornly averse to making any extension of the judicial powers of the Collectors. The only concession they made in this direction was to make it obligatory upon the Judges to refer a particular class of revenue suits to the Collectors for investigation. This had been provided by Regulation V of 1812, which has been described above.

In their Judicial Despatch to Bengal of 9th November, 1814 the Directors suggested the transfer of revenue suits to the "bonafide cognizance" of Collectors, subject to a revision by the regular Courts of justice by way of appeal. This, they thought, would benefit both zamindars and raiyats. As for the proposed measure being a departure from Cornwallis' ideal, the Directors argued that such deviations had already been made while providing for the reference of revenue disputes to the Collectors' investigation (under Regulations XVII of 1794 and V of 1812)[20]. Besides, as the provision of Regulation VIII of 1793, requiring the zamindars to grant *pattas* to their raiyats, had hardly been adhered to, the Directors held that the position of raiyats *vis-a-vis* the oppression of zamindars had remained unchanged[21]. The demands over the raiyats, not having been conveyed in writing, could be and were being made arbitrarily by the zamindars. It is true that the provisions regarding the issue of *pattas* remained a dead letter. This was due to a general reluctance on the part of the zamindars to issue the *pattas*, as also a deliberate neglect on the part of the raiyats

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[17] Judicial Letter from Bengal to Court of Directors, 30th June, 1813.

[18] Judicial Secretary to Sadr Diwani Adalat, 20th July, 1813, Civil Judicial Consultations, 31st July, 1813, No. 1.

[19] *Ibid.*, No. 2.

[20] Judicial Despatch from the Court of Directors to Bengal, 9th November, 1814, para 93.

[21] *Ibid*, paras 78-80.

to demand it. Actually, neither party wanted to commit the demand or the obligation to writing as it would have closed the door for the one to demand more and for the other to claim to pay less. Under such circumstances, disputes over arrears or undue exactions of rent went on adding to the files of the already overburdened Civil Courts of the districts. In the absence of documentary attestation their investigation became complicated and cumbersome. As early as 1795, the Judges of Burdwan and Birbhoom had complained of the inconveniences and delays in the decision of revenue suits due to the general absence of *pattas*[22].

Moira (later Lord Hastings), who succeeded Minto in August 1813, was initially in agreement with the Directors' proposal for the extension of the judicial functions of the Collectors. He stated that an immediate relief to the Civil Courts could be effected by transferring all questions of rent to the original cognizance of Collectors[23]. On his instruction, apparently in pursuance of the Directors' suggestion, the Board of Revenue drew up a draft regulation providing for the re-establishment of the *Mal Adalats* under the Collectors. In the draft it was proposed to allow the Collectors original, exclusive and final jurisdiction over all cases of rent. It even went a step ahead of the suggestion of Directors in proposing to make the Collectors' decisions appealable only to the Board of Revenue. As noted above the Directors had suggested subjecting the Collectors' decisions to revision by the District Judges. But before enacting the draft Hastings sought the advice of the Sadr Diwani Adalat, the Company's highest tribunal of justice. The latter came out with a very strong criticism of such a drastic extension of the judicial functions of revenue authorities. The proposal was objected to both on the ground of its being against Cornwallis' ideal of "separation of powers", as also on certain practical considerations which were as follows:[24]

(*a*) Most Collectors being fully occupied with their revenue duties would be unable to take the extra judicial work.

(*b*) Cases of rent were often intimately connected with the question of right and possession which had to be determined by the Civil Courts. Hence in the event of the Collectors being given exclusive jurisdiction over revenue suits, it would be difficult to define the suits thus excluded from the cognizance of the

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[22] Sadr Diwani Adalat, Proceedings, 16th April, 1795, No. 71.

[23] Moira's Minute, 21st September, 1815, printed in papers relating to the Judicial System of Bengal, India Office Reg. (71) 197.

[24] Remarks of Sadr Diwani Adalat on proposed re-establishment of *Mal Adalats*, printed in papers relating to the Judicial System of Bengal, India Office Reg. (71) 197.

Civil Courts, so exactly as to prevent an occasional collision of authority (between the Judge and the Collector) and the consequent embarrassment.

The training and ability of Collectors to perform judicial functions was also in doubt. Commenting on the idea of extending the power of Collectors to decide revenue suits, Chief Secretary Dowdswell observed:

"The plan generally rests on a basis which I apprehend, is quite, unsound .... It supposes ... the knowledge of the course of judicial proceedings which few of the Collectors possess."[25]

James Stuart expressed an identical view (while a member of Hastings' Council), in the following:

"The office of the Collector ... has come to be considered as one that requires less talent and activity ... Hence the Government has been tempted to select the ablest of the British officers for the judicial branch .... and in consequence, the office of Collectors has been filled, generally speaking, with least capable and efficient of Civil Servants."[26]

That the Collector's office was bestowed upon men of inferior integrity and capability is also demonstrated by the fact that Judges found guilty of corruption, neglect or misconduct, and in consequence, considered unfit to hold a judicial situation, were made Collectors as mark of punishment[27].

Under such influences from within, the Hastings Administration dropped completely the proposal for extending the judicial powers of the Collectors. The justification offered to the Directors was that the already improving state of arrears[28] in the Civil Courts precluded the necessity of calling for any extra aid for the District Judges, by investing the revenue officers with very extensive power and jurisdiction over the administration of civil justice.

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[25] Chief Secretary's report, 17th November, 1814, Civil Judicial Consultations, 29th November, 1814, 27.

[26] Minute of Stuart, 21st August, 1820, Civil Judicial Consultations, 1st September, 1820, Nos. 10-12.

[27] Thus Sir Alexander Seton in 1808, and J. V. Biscoe in 1824, after having been found guilty of misconduct and negligence and in consequence considered unfit to hold the situation of Judge-Magistrate, were appointed Collectors.

[28] Arrears before District Judges reduced from 16,898 at the end of 1814 to 13,875 at the end of 1820. Parliamentary Branch Collections, 1832, Vol. 77, Appx. V, No. 16.

The position of Collectors in relation to revenue suits remained unchanged. In fact, it deteriorated further when by Regulation XIX of 1817 the choice of referring suits concerning distraint of property for arrears of rent to the collector, or not, was restored to the District Judges. This discretion had been withdrawn earlier by Regulation V of 1812 which made it imperative upon the Judges to refer all such suits to the Collectors for investigation and report. The inconveniences felt by the Judges in referring revenue suits to the Collectors was, apparently, the reason for this amendment[29].

Though, finally, the powers of Collectors over revenue suits were not enlarged, the Hastings Administration became keen so that the available assistance of Collectors (*i.e.* of investigation into revenue suits by them), was utilized to the fullest practicable extent. During 1818, out of 35,521 revenue suits for rent disposed of by the Civil Courts, only 6,051 had been referred to the Collectors and of these their reports had been obtained in respect of 4,377 [30]. In some districts not a single revenue suit had been referred to the Collector, while in others the number referred to had been trifling[31]. After noticing this, the Governor-General-in-Council directed the Sadr Diwani Adalat to draw the attention of the District Judges to the importance of availing themselves of the aid of Collectors whenever the circumstances would permit of a more speedy investigation by the Collector than by the Judge[32]. In analysing the Annual Report[33] of 1820, the Government again felt dissatisfied with the number of such references to the Collectors during that year (which was only 6,220 of which the Collectors had investigated and reported upon 4,613), and remarked that: "The judicial officers, in general, had not availed themselves of the assistance of revenue authorities (in the decision of revenue suits) to the extent to which it was desirable"[34].

Collectors who showed any slackness in reporting upon the suits referred to them were called upon by the Government to explain the reasons for the delay. Thus in 1819, the Collectors of Jessore, Midnapore Twenty-four Parganas, Dinajpur and Murshidabad, were asked

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[29] Fortescue to Government, *op. cit.* and Civil Judicial Consultations, July 12, 1814 No. 4.

[30] Annual Report for 1818, Civil Judicial Consultations, 13th August, 1819, Nos. 13-32.

[31] *Ibid.*

[32] Government to Sadr Diwani Adalat, 17th December, 1821, Civil Judicial Consultations, 13th August, 1810, November, 34.

[33] It was the practice of the Sadr Diwani Adalat to submit detailed periodical reports to the Government on the performance of the judiciary. Until 1817, these reports were tendered half-yearly. After 1817 they were submitted annually.

[34] Government to Sadr Diwani Adalat, 17th December, 1821, Civil Judicial Consultations, 17th December, 1821, No. 30.

to explain the reasons for the delays which seemed to have occurred in the investigation of cases referred to them during the second half of 1818[35]. The explanations submitted by those Collectors were considered satisfactory[36]. Still, such a practice was definitely calculated to make the Collectors more prompt towards this part of their duties.

Under the vigilant attitude of the Government and under the increasing pressure of business before the District Civil Courts from 1820 onwards[37], there was an increase in the use of the agency of Collectors, in the disposal of revenue suits.

During 1822 the Collectors investigated and reported upon 6,946 revenue suits[38]. This number increased to 7,466 during 1823[39].

Meanwhile, the move for extending the Collectors' judicial powers had again been gathering strength. The exigencies of revenue administration in the unsettled districts of Western Provinces (*i.e.* the area roughly formed by modern U.P.) forced the Government to invest the Collectors of those districts with power to decide disputes relating to irrigation, boundaries, crops and other local rights connected with land[40]. In 1825, the same authority was extended to the Collectors of *Khasmahal*, Sundarbans and other areas of the Lower Provinces (Bengal, Bihar and Orissa) which were not included in the permanent settlement[41].

The reduction in the arrears between 1815 and 1819, had been a strong reason for the reluctance of Hastings Administration in introducing the changes suggested by the Directors in the existing judicial structure. But, as noticed above, that reason ceased to exist in the years following 1819. On account of the mounting pressure of business before the District Judges, the need for providing extra aid to those officers was increasingly appreciated by the Governments of John Adam and Amherst (which followed that of Hastings in succession) who were persuaded to give a limited trial to the scheme of transferring

[35] Government to Board of Revenue, 27th August, 1819, Civil Judicial Consultations, 3rd September, 1819, No. 2.

[36] Board of Revenue to Government (n.d.), Civil Judicial Consultations, 7th December, 1819, No. 1.

[37] By the end of 1823 arrears before the District Judges had risen to 23,170 (from 13,875 at the end of 1820 noticed above), Civil Judicial Consultations, 19th January, 1826, Nos. 5 to 11.

[38] Civil Judicial Consultations, 23rd December, 1823, Nos. 10-25.

[39] Civil Judicial Consultations, 10th March, 1925, Nos. 21-40.

[40] By Regulation VII of 1822.

[41] By Regulation IX of 1825.

a part of the judicial load of the District Judges to the Collectors. The Directors' suggestions for investing the Collectors with authority to decide revenue suits was implemented in Regulation XIV of 1824 which had been proposed by the Sadr Diwani Adalat and enacted by the Government of Amherst. It gave the Collectors, the authority to decide the revenue suits referred to them by the Judges.

The operation of this Regulation was bound to provide more relief to the Judges and, at the same time, insure a quicker disposal of revenue cases. This is borne out by the increase in the number of disposal of such suits through the agency of Collectors, in the years following its enactment[42].

But Regulation XIV of 1824 did not transfer the original jurisdiction in respect of the revenue suits to the Collectors. Those suits had still to be instituted before the Judges who had the discretion of referring all, any, or none of them to the Collectors for decision. The power of executing the Collectors' orders and decrees was also reserved to the Judges. This was probably done to avoid a clash over jurisdiction between the Judge and the Collector. Also, the administrative opinion in Bengal had not yet grown strong enough to make a complete break with the tradition established by Cornwallis. The delegation of the power of judicial decision to the Collectors does represent a compromise of Cornwallis' philosophy of separation of powers. But, at the same time, the retention of complete control over the judicial functions of Collectors in the hands of the District Judges, demonstrates that the Bengal Government was not yet prepared to break completely from Cornwallis' ideals and the "deadweight of administrative traditionalism it had come to represent"[43].

In 1829, W. B. Bayley, a member of Supreme Council, criticized the provision (of Regulation XIV of 1824) requiring the revenue suits still to be instituted before the Judges although the power of deciding them had been granted to the Collectors. This, he contended, clogged the files of the Civil Courts and served greatly to increase their miscellaneous business[44]. Hence he recommended that the revenue suits should be instituted direct before the Collectors.

The Sadr Diwani Adalat had not been against allowing the Collectors the authority to decide revenue suits. In fact, it was on their

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[42] Total disposal by Collectors increased as follows:
During 1824—8,173; 1825—9,279; 1826—13,166; 1827—10,860; 1828—11,349; 1829—12,743; Data compiled from the Annual Reports of those years.

[43] Eric Stokes, *The English Utilitarians and India*, Oxford, Clarendon Press, 1959, p. 157.

[44] Minute of W. B. Bayley, 5th November, 1829, Civil Judicial Consultations, 12th October, 1830, No. 69.

initiative that such power had been delegated to those officers in 1824. But, at the same time, the Sadr Diwani Adalat were keen to maintain a firm control over the Collectors' judicial activity in the hands of the regular civil judiciary. They thought that the powers granted to the Collectors in 1824 had catered to the practical necessity without sacrificing the sacred principles of separation of powers and of the supremacy of judiciary in the domain of law, which they were zealous to preserve. Hence the majority of the Judges of the Sadr Diwani Adalat opposed Bayley's proposal of vesting the Collectors with original jurisdiction in revenue cases by allowing them to receive and try such cases on their own. They saw in it an impious infringement of the structure and spirit of Cornwallis' hallowed system, as well as a breach of privilege of the regular judiciary[45].

But with the arrival of Bentinck as the Governor-General in 1828, doctrinaire considerations ceased to have any influence on the administrative policies of the Bengal Government. Bentinck adopted a strictly empirical attitude towards the problems of judicial reform. He fully agreed[46] with Bayley's arguments and had the latter's proposal framed into Regulation VIII of 1831, overriding the Sadr Diwani Adalat's objections. The Collectors were now authorized to receive and decide revenue suits on their own for the first time. Their decisions were, however, made revisable by the District Judges in retrial on application of dissatisfied parties.

TRANSFER OF MAGISTRACY TO THE COLLECTORS

Trial of civil suits and appeals was not the only occupation of the District Judges. Under the arrangements of 1793, they had been given many additional duties of which his magisterial functions were the most arduous[47]. In practice, it often required from them more time than they could devote to the civil business. As the arrears of pending civil cases started accumulating several Judges nominated

[45] Minutes of Judges of Sadr Diwani Adalat on Bayley's proposal; Ross, the 5th Judge criticized it as a "half-measure which ignored important questions of principle". Parliamentary Branch Collections, 1832, Vol. 77, Appx. V, No. 2.

[46] Resolution of Governor-General-in-Council, 12th October, 1830, Civil Judicial Consultations, 12th October, 1830, No. 80.

[47] Under the constitution of 1793, the functions of Magistrate were : control and supervision of Police, apprehension and prevention of crimes, punishment of petty offences, and commitment of prisoners charged with heinous offences, and to take trial before the Court of Circuit. The list of offences triable and punishable by the Magistrates subsequently went on enlarging so that by 1824, offences like house-breaking, burglary, affrays not attended with homicide or grievous hurt, escaping from prison, etc., had been brought within the cognizance of the Magistrate to ensure a quicker disposal. By Regulation XV of 1824, the power of summary investigation and award, in cases of dispossession was transferred to the Magistrate from the Judge. The management of the Jails was also a part of Magistrate's duties.

their occupation with magisterial duties as its major cause and suggested to be relieved of the Magistracy[48]. The inexpediency of the union of Civil Judgeship and Magistracy was pointed out in the Fifth Report of the Select Committee of House of Commons in 1812. It was stated: "If as a Judge, he (the Judge-Magistrate) exerts (himself) to reduce civil business, the Magistrate's office is in the danger of falling into arrears, and if he employs himself sufficiently in the latter, the file of civil business must swell"[49]. Governor-General Moira acknowledged the incompatibility of these two offices in the following words:

> "The business of Judge necessarily confines him to his Court house. The duties of Magistrate can perhaps never be so properly executed as while he is engaged in a personal visit to every part of the District. Preservation of peace calls for all the active energy of youth.... A Judge should, perhaps, be abstracted from all private converse with the natives. A Magistrate must maintain a most intimate communication with (them).... Justice should be blind, but Police requires the eyes of Argus[50]".

The authorities, both in London and in Bengal were agreed that the Magistracy should be separated from the Judgeship, in the interest of an efficient management of both civil and criminal justice. But as to the officer to be delegated the charge of Magistracy, there existed a difference of opinion between the two. There were two alternatives. Either separate officers were to be appointed to hold the office, or else, the Magistracy was to be transferred to the second officer of the district—the Collector.

In 1814, the Directors had sent a scheme for the reform of the judicial administration in Madras Presidency. Its major feature was the general union of Magistracies with Collectorships. Almost simultaneously, the Directors desired the Bengal Administration also to make a general transfer of Police and Magistracy to the Collectors[51]. They made their desire imperative on the point: "... our orders are

[48] Those officers were, for instance: (i) Tufton, the Judge of Bihar (modern Gaya) in 1801; (ii) Ernst, the Judge of Benares in 1810; and (iii) Shakespear, the Judge of Nuddea in 1813.

(a) Civil Judicial Consultations, 9th September, 1801, Nos. 3 & 4.

(b) Judicial Despatch from Court of Directors to Bengal, 28th October, 1814, para 40.

(c) Civil Judicial Consultations, 18th September, 1813, No. 2.

[49] Fifth Report of Select Committee, 1812, Parliamentary Branch Collections, 1812, Vol. 56, p. 69.

[50] Moira's Minute, 21st September, 1815, para 96; Papers relating to the Judicial System of Bengal, India Office Reg. (71), 197.

[51] Judicial Despatch to Bengal, 9th November, 1814, paras 165-68.

pre-emptory that the powers of Magistrate shall hereafter be vested in the Collectors together with the superintendence of Police"[52].

To such a proposal objections came from many sources in Bengal. Foremost among them being the Sadr Diwani Adalat. The main points of the latter's arguments were as follows:[53]

(*i*) The Collectors of most of the districts were fully occupied with their revenue duties. Hence they would be unable to take the additional load of Police and Magistracy.

(*ii*) With no previous judicial experience, majority of the Collectors would be incompetent to discharge magisterial functions.

(*iii*) Under the established system the Judge-Magistrate combined in him greater authority to obtain the cooperation of land-holders, proprietors and other inhabitants, in the administration of Police, than would be possessed by the Collectors if vested with the Magistracy.

(*iv*) There would be the risk of collision of loyalties, as in the event of such transfer being affected, the Collectors would have to be subject to two distinct authorities, *i.e.*, to the Circuit Judge in his magisterial capacity, and to the Board of Revenue in his fiscal role.

The Sadr Diwani Adalat, therefore, advocated the appointment of separate Magistrates wherever it was considered necessary to relieve the Judge of that charge.

In 1819, George Dowdswell, a member of the Supreme Council, made two more objections to the proposal for uniting the Magistracy with the Collectors. They were, first, that such union would be against the principle of civil polity founded in 1793 by Cornwallis, and secondly, that the combination of revenue and magisterial authorities might be rendered into the most intolerable instrument of oppression, as the Collectors in their zeal to improve the revenue collection (on which their official credit mostly depended), might utilize their police powers to serve that end[54].

Salmon, a member of the Board of Revenue, also contested the proposal stating :

"If a Collector were to become a Magistrate, he would either turn

[52] Judicial Despatch to Bengal, 10th April, 1816.

[53] Sadr Diwani Adalat to Government, 9th March, 1818, para 166. Papers on the Judicial System of Bengal, India Office Reg. (71), 197.

[54] Dowdswell's Minute, 22nd September, 1819, Civil Judicial Consultations, 5th November 1819, No. 15 'A'.

out to be a good Police Officer and a bad Collector, or a bad Police Officer and a good Collector; it is possible that he would continue to devote his attention to that branch which interests him more".[55]

Before complying with the desire of the Directors, the Bengal Government called for a report from Madras on the working of the new judicial system which had been established there in 1816, in accordance with the scheme sent from London (under the Judicial Despatch, dated 14th April, 1814, to that Presidency)[56]. In reply, the Madras Board of Revenue informed that the majority of the Collectors in Madras Presidency had thought that their magisterial functions had interfered with their revenue duties[57]. The Board's own opinion was also that the union of the two offices had proved detrimental to the interests of the Revenue Department, and hence, it was desirable to appoint separate Magistrates in every District[58].

In considering the adoption of the Madras pattern in Bengal, another factor to be reckoned was that the Magistrates of Madras had lesser duties to perform than their counterparts in Bengal. As shown in a later report of the Sadr Adalat of Madras, the Magistrates in that Presidency, or their Assistants, seldom interfered with the preliminary investigations in the cases not triable by them[59]. In such cases the information was, for the most part, taken by subordinate Indian Police Officers, who either released the accused on their own or committed him for trial, direct to the Sessions Judge. In point of fact, the exercise of magisterial functions in Madras was limited to the trial of petty offences punishable without reference to the higher authorities. The Bengal Government rightly observed that the magisterial powers of the Collectors in Madras seldom exceeded those of Assistants to Magistrates under the Bengal Code, implying thereby that the load given to the Collectors of Madras by virtue of the transfer of Magistracy to them was much lighter than what would be put on the Bengal Collectors in the event of a like arrangement[60]. This fact alone, apart from the objections stated by the various authorities in Bengal (noticed above),

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[55] Board of Revenue to Government, 5th May, 1818; Papers relating to the Judicial System of Bengal, India Office Reg. (71), 197.

[56] Following the Directors' instruction, Magistracy had been generally united with the Collectorship in all the Districts of Madras.

[57] The Board's report is recorded under (Bengal) Civil Judicial Consultations, 24th March, 1820, No. 66.

[58] *Ibid.*

[59] Judicial Secretary, Madras, to Bengal Government, 9th February, 1830, para 60, Civil Judicial Consultations, 15th June, 1830, Nos. 7-10.

[60] Judicial Letter from Bengal to Court of Directors, 15th June, 1830, para 8.

was bound to introduce an element of hesitation, or at least, of a greater circumspection, on the part of the Bengal Administration, in deciding to transfer the Magistracy to the Collectors.

Under such circumstances, the Bengal Government was naturally inclined to favour the employment of separate Magistrates, when necessary rather than transferring the Magistracy to the Collectors. But on account of the paucity of Civil servants, and on account of the insistence of the Directors for the implementation of their plan, the Bengal authorities at first resolved upon adopting a moderate course. This was to resort to both the alternatives simultaneously, *viz*: (1) to transfer the Magistracy to the Collectors of those districts where the revenue business was light and the individual holding that office was considered competent to discharge the additional responsibility; and (2) to employ separate Magistrates in the other heavy arrears districts, where the Collectors may be fully occupied with their own revenue duties or might not be competent to function as Magistrates.

In 1823, acting Governor-General, John Adam created five separate Magistracies for the Districts of Hooghly, Jessore, Nuddea, Purnea and Tirhut, where arrears before the Judges had been very heavy[61]. On the question of transferring the Magistracy to the Collectors, the Governor-General made the following policy statement:

> "Whether the general introduction of the system, even if it were practicable would be desirable, is a question which it is not necessary to discuss on the present occasion, but there is no sufficient reason why the experiment should not be tried in any particular District in which the Collector may not only be well-qualified for the task but have sufficient leisure to execute it . . ."[62]

The Collectors of most Districts of Bengal Presidency were very busy. Nevertheless, after due consideration, the Collectors of Rungpur, Ramgarh, and Junglemahal were vested with the Magistracy of their respective Districts[63].

But rather than making these transfers and separate appointments (of Magistrates) a permanent measure, they were only treated as temporary expedients for relieving over-pressed District Judges. John Adam clearly stated in the same minute that after the arrears were reduced in the districts concerned, the Magistracies were to revert to

[61] Minute of Governor-General, 12th June, 1823, Civil Judicial Consultations, 12th June, 1823, Nos. 20-23.

[62] *Ibid.*

[63] *Ibid.*

the respective Judgeships. Thus in 1826, during the administration of Amherst, the Magistracies were reunited with the Judgeships in Hooghly and Rungpur on the ground that the purpose for which the separation was done (namely reduction of Civil arrears before the Judge) had been accomplished[64]. How deeply embedded the Bengal Government still were in the tradition created by Cornwallis is clearly demonstrated by their extreme sluggishness in implementing any reform (even those dictated from London) which involved a deviation from the established pattern of administration.

The policy enunciated by Adam on the issue of transfer of Magistracy to the Collectors continued to be the policy of the succeeding Government of Amherst. Although, on practical consideration Magistracies were united with the Collectorships in a few more districts, such as Bihar[65] and Sylhet[66], the Government remained averse to a general transfer of Magistracy to the Collectors. It was contended: "Unless we could restore the ancient institution of village communities and could employ the heads of villages, the farmers, the land-holders, or their agents, as officers of Police, little would be gained and much would be sacrificed by making Collectors, Magistrates generally"[67]. The Amherst Administration submitted for the approval of the Directors, a plan for posting three separate European covenanted servants in each District as Judge, Collector and Magistrate respectively[68].

But with the commencement of Bentinck's Governor-Generalship there was a shift in the attitude of the Bengal Administration. This was the outcome of Bentinck's pragmatism which could have been born out of several factors. He had assumed the Governor-Generalship in 1828, with the memory of his disgraceful recall from Madras (Governorship) following the Vellore mutiny in 1807, and with a keen desire to acquit himself with credit this time and restore his reputation[69]. He had to erase the Indian Government's deficit of 2½ crores and set the Company's house in order before the question of renewal of its charter came up before Parliament in 1833. Under such circumstances it was natural for him to adopt a pragmatic approach towards the administrative problems rather than lean on abstract principles.

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[64] Civil Judicial Consultations, 19th July, 1826, No. 13.

[65] Civil Judicial Consultations, 26th April, 1826, No. 2.

[66] Judicial Letter from Bengal, 30th August, 1827.

[67] Judicial Letter from Bengal, 22nd February, 1827.

[68] *Ibid.*

[69] This view was expressed by Prof C. H. Philips in a Seminar lecture delivered at the School of Oriental and African Studies, London, on 16th March, 1965. Author agrees with it.

Bentinck accepted in principle the general transfer of Magistracy to the Collectors. A number of considerations directly influenced this decision. In the first place, it would save money to have only two officers in the District, instead of three (Judge, Collector and Magistrate). And economy was one of Bentinck's primary concerns[70]. Paucity of civil servants was another factor which discouraged the creation of new posts of District Magistrates. The doctrinal support for the union of Magistracy with Collectorship came from the authoritarian paternalism of the Munro school. Bentinck who had known Munro from his Madras days was influenced by his ideas. As the best means of improving the efficiency of the administration, he recommended to the London authorities that they should "confirm and persevere in the system long since recommended by them (Directors) . . . , upon the authority of Sir Thomas Munro, of uniting the appointments of Collectors and Magistrates, . . . and of making the Collector's great office consisting of Deputy Collectors, Joint Magistrates and Assistants, subordinate to one head . . . ."[71]

Union of Magistracy with Collectorship had also been strongly advocated by Holt Mackenzie, in whose capabilities and judgment Bentinck had great trust[72]. Besides, Bentinck had an enthusiastic support for this reform from C. T. Metcalfe, the Vice-President of his Council. The latter had ruled in Delhi territory, exercising himself all the powers of government, executive, fiscal and judicial. From that experience he had become an ardent champion of Munro's paternalism which stood for a despotic form of government. Metcalfe even went to the extent of suggesting that there should be only one officer in each District, who should combine in himself the functions of Judge, Collector and Magistrate[73].

Under these influences the Bengal Government resolved in 1831 to make a general transfer of Magistracy to the Collectors. The practical justification offered by Bentinck was:

"It became necessary to divest the Judges of their Magisterial

[70] Bentinck to William Astell, Chairman, Court of Directors, 17th October, 1828, Bentinck Mss, Nottingham University Library.

[71] Bentinck's Minute, 10th November, 1831, Parliamentary Papers, 1831-32, Vol. 9, p. 749.

[72] Mackenzie had been recommended to Bentinck as "the cleverest man in Bengal" by Malcolm, the Governor of Bombay, vide Malcolm's memo, 24th June, 1828, Bentinck Mss.

Bentinck seems to have agreed with the above opinion. He described Mackenzie as "by far the ablest of Company's servants". Bentinck to Melville, 16th December, 1828, Bentinck Mss.

[73] Metcalfe's Minute, 11th April, 1831 ,Parliamentary Branch Collections, 1832, Vol. 77, Appx. IV, No. 6.

powers, and there was no alternative consistent with the dictates of financial necessity than to transfer those powers to the Collectors.... I do not consider the latter measure to require any apology. On the contrary, I hold it to be admirably calculated to confer efficiency on the Police of the country...."[74]

Between 1826 and 1831, Magistracies had already been united with the Collectorships of Bhagalpur, Birbhoom, Rajshahi, Purnea, Allahabad, Benaras and Jessore[75]. Following the Government's above mentioned resolution in 1831, the union was carried out in many more districts like Bundelkhand North and South, Agra, Meerut, Saharanpur and Cuttack, on 17th June, 1832[76]. The union was effected in the rest of the Districts soon after.

In 1814, the Directors had themselves directed the union of Magistracy and Collectorship. They had insisted on the compliance of their order in 1816 as noticed above. But by 1832, there had been a complete transformation in their attitude. In their despatch of 1832, they agreed with the objections stated against the general union of Collectorship with Magistracy and in accordance with the three-officer plan submitted by the Amherst Administrations (*vide* Judicial Letter of 30th August, 1827 mentioned above) they directed the Bentinck Administration that in every District the ordinary European establishment was to consist of a Judge, a Magistrate and a Collector[77].

This change in the Directors' policy was not abrupt. To understand this it would be worthwhile examining the history of the policy-making at the London end over this issue.

The Judicial Despatches to Madras and Bengal which forwarded the scheme of transferring the Magistracy to the Collectors, and the grant of certain civil judicial powers to the latter, marked the culmination of a reaction against Cornwallis' system at London. This reaction had to a great extent been generated by Munro's influence. He was a strong critic of the "permanent settlement" and the over-concentration of powers in the hands of the District Judges, which had made the Collectors week and ineffective. Munro, who had been a civil servant in Madras earlier, came to London on leave in 1808, and stayed there untily 1814. His ideas gained complete ascendency at the Board through James Cumming, who became the head of the judicial and revenue

[74] Judicial Letter from Bengal, 6th September, 1831, para 17.

[75] Judicial Letter from Bengal, 6th September, 1831.

[76] Civil Judicial Consultations, 23rd February, 1833, No. 3.

[77] Judicial Despatch to Bengal, 1st February, 1832.

lepartments in 1807, the Earl of Buckinghamshire, who became 'resident of the Board in 1812, and the latter's friend and son-in-law, ohn Sullivan, who was appointed one of the Assistant Commissioners of the Board[78].

The Directors too were impressed with Munro's reasonings. n 1810, they positively forbade Minto to extend the permanent settlenent to the Western Provinces. One of the Directors, Samuel Davis, vho had personally observed the working of Cornwallis' system in ndia, was very critical of it[79]. The alarming state of arrears before he Civil Courts and the delays involved in the disposal of suits had lso convinced them of the necessity of reform in the Cornwallis' ystem.

Thus, although hopelessly divided on other issues, in 1814, the Board and the Court found themselves in agreement over the issues of administrative reform, particularly on the judicial side.[80]

On the Board's initiative a special committee of the Directors ramed a scheme, in 1813, for the reorganization of the judicial system n Madras. The same proposals were transmitted to the Bengal Government under their despatch of 9th November, 1814 mentioned arlier. The salient features of this plan were the transfer of certain ivil judicial powers and the Magistracy to the Collectors, and the xtension of the agency of Indians in the judicial administration. This vas exactly what Munro had proposed in 1808, in a memoir written ust after his return from Madras[81]. In Madras, the plan advocated y the Directors was executed *in toto*, in 1816, under the personal upervision of Thomas Munro who was sent out there for the very purpose. But, as observed earlier, the Bengal Government adopted a cautious and go-slow policy over the Directors' instructions.

For several years the Directors seemed to adhere firmly to the nstructions conveyed in the despatch of 9th November, 1814. But after 1824, they started drifting away from the stand they had taken n 1814. By 1828 the Directors had already become lukewarm in their nsistence upon the transfer of Magistracy to the Collectors. Thus vhile in 1824[82] they had strongly disapproved John Adam's

[78] C. H. Philips, *East India Company*, 1784-1834, Bombay, OUP, 1961, pp. 202-4.

[79] Dissent of Davis, 9th August, 1817, I.O. Appx. to Court Minutes, Vol. 3.

[80] C. H. Philips, *op. cit.*, p. 200.

[81] Memoir on Judicial System by Munro, Edinburgh, 10th September, 1808, Melville Papers, National Library of Scotland, Ms 12, pp. 187-9.

[82] Judicial Despatch to Bengal, 23rd July, 1824, para 15.

appointments of separate Magistrates, in 1828[83] they approved such appointment whenever considered necessary.

The factors influencing the change in the attitude of Directors were, apparently, the practical difficulties in the execution of their plan, which had been expressed by the authorities in Bengal from time to time, and also the Madras report[84] which showed that the system recommended by them had not been successful there. But a change in the personnel of Directors was also responsible for the pull back towards Cornwallis' ideals. The retirement of Samuel Davis in 1818 had removed a very strong anti-Cornwallis influence[85] from the Directors. The elections of N. B. Edmonstone in 1820 and H. G. Tucker in 1826, to the Court[86], had, on the other hand, infused a very strong pro-Cornwallis influence in that body. Both of them had served in Bengal during the time of Cornwallis and both had shared his ideals.

The Board, on the other hand, stood rigid on the proposals of 1814. For the sake of consistency they desired to expunge anything from the Court's drafts which involved any deviation from the tenor of instructions conveyed to Bengal in 1814. In 1827, Tucker along with another Director, C. A. Robinson, strongly deplored this attitude of the Board. Tucker stated:

> "The Board of Commissioners seem anxious to avoid inconsistency in the public correspondence; but if the authorities in this country were led to adopt vague and erroneous notions in 1814 ... it is surely their duty to get, as soon as possible, into the right path...."[87]

The Directors eventually became opposed to any major deviation from Cornwallis' principles. They found Bentinck's constituting the Revenue Commissioners into Criminal Judges in 1829, as highly objectionable in principle. In 1831, they were only prevented by the Board's interference from sending a strong disapproval of that measure to Bengal[88]. And, finally, in their despatch of 1832, mentioned earlier, they ordered the creation of separate Magistracies in every District, instead of joining them with the Collectorships. The desiring of such a measure in the face of financial difficulties of the Company's administration and of an acute shortage of European civil servants indicates

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[83] Judicial Despatch to Bengal, 30th April, 1828, para 19.

[84] The Board's report is recorded under (Bengal) Civil Judicial Consultations, 24th March, 1820 No. 66.

[85] Dissent of Davis, 9th August, 1817, I.O. Appx. to Court Minutes, Vol. 3.

[86] Dodwell and Miles, *List of Bengal Civil Servants.*

[87] Dissent of Tucker, Court Minutes, 14th February, 1827, Vol. 134, pp. 623-9.

[88] Court Minutes, 2nd February, 1831, Vol. 138 (no page).

that Munro's ideas had become a spent force at the Directors' end while Cornwallis' thinking regained a firm ground there.

But at the time the Directors were changing their views, the Munro doctrine had been dominating the Bengal Administration, through Bentinck and Metcalfe. It was natural that the Bengal Government so constituted should have shown reluctance to put the clock back by divesting the Collector-Magistrates of their Magistracy. Throughout his Governor-Generalship, Bentinck remained opposed, even to opening a discussion on the separation of Magistracy from the Collectorship. He argued that the unification of the two offices had been done after much deliberation, and a discussion for their separation could be opened with propriety only when it could be proved by positive evidence that the deterioration of Police could be attributed to the Magistracy being joined with the fiscal authority[89].

Auckland, who succeeded Bentinck in 1836, accepted the "three officer" scheme approved by the Directors. But due to the practical difficulty of providing enough covenanted civil servants to fill the posts of Magistrates the implementation of the plan was very slow. Besides, the posting of separate Magistrates was kept confined to the Districts of Lower Provinces only. By 1841, separate Magistrates could be provided for only eleven out of the forty-six Districts of Lower Provinces[90]. The number increased to twenty-four in 1850, and to forty-five in 1856[91]. For various considerations Canning finally decided to reunite the Magistracies with the Collectorships in all the Districts, after 1859. But simultaneously separate Superintendents of Police were appointed to every District. This made the burden of Magistracy lighter. The Collector henceforth came to be designated as the District Magistrate and Collector, a position he has retained ever since.

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[89] Judicial Letter from Bengal, 21st June, 1836, para 84.

[90] *India Register.*

[91] *Ibid.*

INTER-STATE RIVERS: CO-OPERATIVE APPROACH ESSENTIAL FOR OPTIMUM DEVELOPMENT

N.D. Gulhati

THAT our rivers are important to our well-being and economy is only stating the obvious. What is perhaps not adequately appreciated is that this importance has been steadily increasing with increasing population and with the development of the country's economy and must continue to do so for a long time to come. Intensive development of river waters, as of water resources in general, is vital to our growth in agriculture and industry and otherwise influences our lives in many ways. At the same time, this development is itself dependent on our economic resources. It is both the cause and the effect of the prosperity of any State, of any region or of the country as a whole.

The British Indian Government, which laid the foundation of modern irrigation in India, spent on this development*, mainly from surface waters, a total of Rs. 156 crores. Against this, the expenditure on irrigation, from surface and sub-surface waters, during the five years of the First Plan was Rs. 385 crores, about two and a half times as much as in the preceding hundred years and more.[6] In the Second Plan the amount spent on irrigation development was Rs. 475 crores and in the Third Plan Rs. 845 crores. Apart from the development of water resources for agriculture, a sum of Rs. 600 crores was spent during the three Plans on new hydro-electric projects on different rivers of the country. The tempo of such developments, both for agriculture and power, since the end of the Third Plan, is even more than in that Plan period and will continue to increase for many years to come. Other demands on river waters are for domestic water supply and for industries. Schemes of flood control and soil conservation represent another phase of water-resource development and one must not forget the importance of fresh waters for fisheries, landscaping, scenic beauty and recreation.

As in all other developmental activity, the development of water resources raises numerous technical, economic, financial and administrative problems. There are some problems, however, which are

* In all the provinces of pre-partition India, until 1947.

peculiar to this development; these arise from the very nature of the natural resource and have facets which attract several disciplines. It is the purpose of this article to deal with these latter problems, describe the difficulties that present themselves in their solution and indicate how they should be resolved.

Nature of water resources

For an appreciation of the problems peculiar to the development of water resources, it is necessary, first of all, to examine briefly some aspects of water as a natural resource, its distribution in time and space and, broadly, the manner in which it serves mankind.

Unlike other natural resources, river waters are not stationary but mobile, yet inexhaustible. River flow cannot be held except by special engineering works and then only to a limited extent, and for a limited time. Unless held or used, river waters flow away. But, in accordance with Nature's hydrologic cycle, river waters keep on reappearing, year after year, in the same place and in more or less the same manner and quantity. While the quantum of flow varies from day to day, seasonal changes, even though regular, are indeed large*. It takes considerable human effort and ingenuity to regulate natural flow to conform to the requirements of use; the proportion that can be so regulated, at any time, is a function largely of the stage of development of related engineering techniques.

The contribution to flow from different parts of the catchment of a river varies widely. In some cases, *e.g.* the Krishna, the contribution from its catchment in the Western Ghats is very much more than that from the Deccan plateux; however, under virgin conditions, the volume of flow increases as one proceeds from the source of the river to the sea. On the other hand, on the Indus system, the flow is maximum as the rivers emerge from the foot-hills, the large catchment in the plains yields but little additional supply. On account of losses enroute, the volume of flow decreases as one proceeds downstream from the foot-hills.

As indicated above, river waters are used for various purposes: for domestic water supply, for stock breeding, for irrigation, for

* Some idea of the magnitude of seasonal variations in Indian rivers would be given by the fact that the four monsoon months, from July to October, account for 75 per cent of the annual flow on the Ganga and as much as 93 per cent on the Mahanadi. On the latter river, most of the tributaries are dry from December to May.

navigation, for generation of hydro-electric power and for a variety of industrial uses.*

Rivers are also important for drainage and sanitation, for disposal of sewage and industrial waste, for conservancy of ports, harbours and estuaries, for fisheries, for recreation and for landscaping.

On the other hand, high floods in rivers occasionally cause extensive damage to life and property—agricultural, urban and industrial.

Some of the uses mentioned above, like navigation, generation of hydro-electric power and recreation are non-consumptive uses which do not involve any reduction in the volume of water flowing in a river. On the other hand, domestic water supply schemes and irrigation projects may abstract large quantities of water from river flow—in some cases the entire river flow may be so diverted for the greater part of the year. There are developments, like generation of hydro-electric power and some industrial processes, in which river waters can be used again and again; even when these are diverted for consumptive uses like irrigation or domestic water supply, a part of the waters so used must find its way back into the river lower down and may be put to further use.†

Most Indian rivers inter-State

Rivers do not respect political boundaries between States; in India, ever since Independence, the latter have been changing much too fast. As of now,

the Indus basin lies in Tibet, Afghanistan, India and Pakistan—about 13 per cent in the first two countries and the rest in India and West Pakistan; within India, the Indus basin includes the whole of Kashmir and Punjab and parts of Himachal Pradesh, Haryana and Rajasthan;

the Yamuna, the largest tributary of the Ganga, runs through Himachal Pradesh, Haryana, Delhi, Uttar Pradesh, Rajasthan and Madhya Pradesh; the rest of the Ganga system in India lies in Uttar Pradesh, Madhya Pradesh, Bihar and West Bengal;

three of the Himalayan tributaries of the Ganga, the Gogra,

* Ground waters can also be used for all these purposes except, of course, navigation and generation of hydro-electric power.

† According to a U.S. estimate, of the water withdrawn for industrial and municipal use, only about 2 per cent and 10 per cent respectively is used consumptively and of that diverted for irrigation 40-60 per cent is so used.

the Gandak and the Kosi rise in Nepal; the delta of the Ganga includes parts of West Bengal and East Pakistan;

the Brahmaputra rises in Tibet and runs through Assam, West Bengal and East Pakistan;

the Narmada and the Tapti both flow through Madhya Pradesh, Maharashtra and Gujarat;

the Mahanadi drains Madhya Pradesh and Orissa, also, small parts of Bihar and Maharashtra;

the Godavari lies in Maharashtra, Madhya Pradesh, Orissa, Mysore and Andhra Pradesh;

the Krishna system passes through Maharashtra, Mysore and Andhra Pradesh; and

the drainage basin of the Cauveri lies in Mysore, Kerala and Tamil Nadu.

Some of the smaller rivers like the Damodar, the Mahi and the Pennar also pass through more than one State. In fact, most of India is served by inter-State rivers; some of these are also international.

Accordingly, river waters which are today in the territory of one State, and therefore, under its jurisdiction, will, except to the extent they are used up or held temporarily, flow away into the sea or into the territory of another State and, in the latter case, fall under the control or jurisdiction of the other State. To the extent the upper State has made consumptive use of the waters of a river, to a corresponding extent the lower State will have less supply available for use. Similarly, to the extent the lower State has developed a use, the upper State will have less water available for use except at the cost of the developments already carried out in the lower State. Thus, while each State has authority over the waters of a river in its own territory, it has no authority over these waters before they enter its territory or after they have left it, except as may be permitted by the adjoining State.

Modern trends in water resources development[4]

Since the end of the nineteenth century, there has been a large increase in the consumptive use of river waters for domestic water supply, for irrigation and other uses—thus creating competition between different uses of water and between users. For many centuries

past, the economic development of river waters progressed comparatively slowly and most exploitations were self-contained isolated units. This is not so any more. During the last few decades, there has been a growing realization in all progressive countries that, for optimum development, water resources need to be treated on the basis of a whole drainage basin or an entire river system and that surface waters and ground waters must be considered together, in an integrated manner.*

At the same time, there has been an increasing tendency towards multi-purpose development of river waters, for maximum overall benefit to the community—the various uses of water together with the requirements of flood control finding their proper position in the scheme of development in accordance with local or regional social and economic needs.

To maximize the use of limited† water resources and in the interest of public hygiene, it is being increasingly realized that sewage and industrial waste, before being let into a river, must be treated and rendered safe for the uses from and of the river below.

Over the last 30 years or so, emphasis is being laid, increasingly, on the inter-connection between water resources and related land resources and the consequent requirement that planning and development of the former should go hand in hand with that of the latter. It is urged that soil conservation and water-shed management is of interest not only locally but for the entire river basin downstream; soil erosion in any part of the catchment increases sediment load in the river below, reducing the useful life of storage reservoirs and increasing flood hazards. Soil conservation and good water-shed management also help in conserving water supplies; similarly, keeping the banks and sides of rivers and natural streams clear of aquatic growth and bush help in reducing losses by transpiration and improving on the quantum of utilizable waters.

With the ever-increasing demand for fresh water supplies and the increasing costs of conservation of natural waters, it has become important on the one hand to ensure that the supplies already developed are being put to maximum beneficial use and on the other to look out for new sources of water such as conversion of sea water to fresh water

* It has to be recognized that, since rainfall is the common source of all fresh waters, there is hydrologic unity in all natural water resources, whether surface or sub-surface.

† In most parts of India, total available water supply is much less than ultimate requirements of agriculture, industry, etc.

and rendering brackish ground waters fit for agricultural, domestic or industrial use.

(2) ADMINISTRATION OF WATER RESOURCES

Historical

From ancient times, whereas construction and upkeep of wells for irrigation has always been by private endeavour, the development of surface waters for irrigation has been largely a State enterprise. Hindu kings and rulers in ancient India undertook construction of tanks and canals as benevolent works for the benefit of their people. Muslim rulers continued the humanitarian task. The British Government followed suit and undertook, in a big way, construction of irrigation canals, tanks and reservoirs, as state-financed and state-managed public works. From about 1930 onwards, tube-wells also came to be installed by Government, first in western Uttar Pradesh and later in Punjab, Bihar and other parts of the country.

Under British rule, the execution and management of irrigation works was a responsibility of provincial governments; but until 1921, the Government of India and the Secretary of State in London exercised powers of superintendence, direction and control on all activities relating to irrigation through an Inspector General of Irrigation and a Public Works Secretariat at the Centre. The Government of India "always possessed what may be called a common law right to use and control in the public interest the water supplies of the country . . . ."[2]

In 1921, irrigation became a provincial subject but expenditure on it was not subject to the vote of the provincial legislature. Its administration was reserved to the Governor-General in Council and was, therefore, still under the ultimate control of the Secretary of State. All irrigation projects which affected more than one province or the cost of which exceeded Rs. 50 lakhs had to be submitted through the Government of India for the sanction of the Secretary of State. Whatever disputes arose between contending units for the utilization of water supplies were referred to the Government of India and decisions were given in an executive capacity; in many cases, however, an attempt was first made to secure an agreement between the parties. From April 1937, with the introduction of provincial autonomy, provincial governments got full powers over irrigation works and development. Only in case there was a dispute between two or more provinces, which could not be resolved by mutual agreement, the matter was required to

be referred to the Governor-General who was empowered to appoint a Commission* to investigate all aspects of the dispute.[17] The Governor-General was then to give a decision in the matter of the dispute, not necessarily in accordance with the report of the Commission, but as he deemed fit. If one of the contending parties so desired, the dispute had to be referred to His Majesty's Government†.

All electrical development in the provinces of British India, until 1932, was mainly in the private sector‡ and was regulated by licenses granted by the provincial governments under the Indian Electricity Act, passed by the Government of India in 1910.[3] In 1921 when, irrigation became a provincial but reserved subject, electricity (and hydro-electric development) became a provincial but transferred subject. However, in the Government of India Act, 1935, while water power was in the provincial list, electricity was placed on the Concurrent List, *i.e.* it became subject to the legislative powers of both the Central and Provincial Legislatures. Hydro-electric development in India was thus, from the beginning, under the control or management of the Provincial Governments.

As regards navigation, under the Government of India Act, 1935, 'shipping and navigation on tidal waters' was under Central control, but 'shipping and navigation on inland waterways as regards mechanically propelled vessels, and the rule of the road etc.' was subject to concurrent legislation of Central and provincial governments.

Constitutional position

Under the Constitution of Independent India, adopted in 1949,

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* "Consisting of such persons having special knowledge and experience in irrigation, engineering, administration, finance or law, as he (*i.e.* the Governor-General) thinks fit...." Only one such Commission was appointed under the 1935 Government of India Act, in September 1941, "to investigate the complaint of the Government of Sind about their interests in the water from the river Indus". The Commission comprised the Honourable Mr. Justice B. N. Rau, a judge of the Calcutta High Court, as Chairman, and Mr. P. F. B. Hickey, retired Chief Engineer, Irrigation Branch, United Provinces and Mr. E.H. Chave, Chief Engineer, Madras, as members.

† The Indus Commission submitted its report in July 1942. It made a number of recommendations. Neither the Government of Punjab nor that of Sind accepted these recommendations and both submitted representations to the Government of India against the finding and recommendations of the Commission. Ultimately it was decided to refer the whole matter to His Majesty's Government for a final decision. A number of informal meetings between the Chief Engineers of the two Provinces were also held with a view to finding a solution by agreement. One such draft agreement was prepared in September 1945. No decision was, however, reached either by agreement, or otherwise, up to 15th August, 1947, the date on which the Indus basin was split between two independent countries, India and Pakistan.

‡ The State of Mysore started to develop electric power as a State enterprise in 1902.

"Water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power. . . ."

and

"Land, that is to say, rights in or over land . . . ."

are in the State List (items 17 and 18 of List II of the Seventh Schedule). In other words, the State Legislature has exclusive powers to make laws and the State Government has exclusive powers to administer both the surface and the ground-water resources and to generate hydro-electric power. These powers in respect of inter-State rivers are, however, subject to the control of the Union to the extent regulation and development of inter-State rivers and river valleys is declared by Parliament, by law, to be expedient in the public interest (item 56 of List I of the Seventh Schedule). The Constitution makers did not engage themselves in laying down any policy or directive principles to guide the Union in respect of the control that may be exercised by it in respect of inter-State rivers but left everything to the discretion of Parliament.

As regards navigation, the Union List includes ". . . shipping and navigation on tidal waters", "shipping and navigation on inland waterways, declared by Parliament by law to be national waterways, as regards mechanically propelled vessels; the rule of the road on such waterways"; and "carriage of passengers and goods . . . by national waterways in mechanically propelled vessels" (items 25, 24 and 30 of List I). These activities on other inland waterways are provided for in the Concurrent List (item 32 of List III). The State List includes "inland waterways" other than national waterways "and traffic thereon", by means other than mechanically propelled vessels, fisheries, and "taxes on goods and passengers carried . . . on inland waterways" (items 13, 21 and 56 of List II).

Apart from the functions allotted to the Union and the States in respect of the use of natural waters, their regulation and control etc., as described above, the Constitution also makes provision for adjudication of disputes relating to waters of inter-State rivers or river valleys. Article 262 of the Constitution reads:

(1) Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution or control of the waters of, or in, any inter-State river or river valley.

(2) Notwithstanding anything in this Constitution, Parliament may by law provide that neither the Supreme Court nor any

other court shall exercise jurisdiction in respect of any such dispute or complaint as is referred to in clause (1).

Legislation

It was only in 1956 that, under the provision of Item 56 of List I of the Seventh Schedule, referred to above, Parliament passed the **River Boards Act**[17]. Section 2 of the Act states: "It is hereby declared that it is expedient in the public interest that the Central Government should take under its control the regulation and development of inter-State rivers and river valleys to the extent hereinafter provided". However, the Act does not give any authority to the Centre to develop or regulate the waters of inter-State rivers nor to control, in any way, the activities of State Governments in respect of these waters nor does it lay down any policy or directive principles relating to the use of these waters. All that the River Boards Act does is to give authority to the Government of India to set up, for any inter-State river, a River Board

> to advise* the States on any matter relating to the regulation and development of the waters of the river, in particular on questions relating to the co-ordination of their activities in relation to these waters with a view to the resolution of inter-State conflicts; and
>
> to make technical studies, prepare schemes of development and advise* the States regarding their execution including questions relating to allocation of their costs, etc.

The River Boards Act, as passed in 1956, emerged after detailed examination of the technical requirements of developments on inter-State rivers, of constitutional provisions, of the pre-1937 administrative procedures which had led to developments of no mean order, of the relevant provisions of the 1935 Government of India Act and, to a limited extent, of the experience of other countries. Starting in 1949 with proposals which aimed at giving to the Central Government executive powers of direction and control in respect of these developments, after discussion with the States, and between the concerned ministries of the Government of India and the Planning Commission, the conclusion was ultimately reached that River Boards, as described above, should provide an efficient machinery for securing optimum regional development as well as fostering a co-operative approach. It was the intention (as Sir V. T. Krishnamachari stated more than once) that River Boards would be set up within a few years for all inter-

* This advice is not binding but should any dispute arise between two or more States in regard to such advice, any of the States concerned can seek arbitration, under the Act, and the award of the arbitrator shall be binding on the concerned States.

State rivers. The Planning Commission was all the time keen* on them and so was, for some time at least, the Ministry of Irrigation and Power. However, the Act was not mandatory in its application; for several years after it was passed, nothing was done to set up any Board under the Act. In 1961, however, steps were taken to set up River Boards on several rivers, the Mahanadi, the Krishna, the Godavari, the Narmada, the Tapti, the Mahi, the Yamuna, the Sutlej, Beas and Ravi, and the Chenab. After some of the concerned States had indicated their willingness to co-operate, necessary procedural and financial details were worked out in 1963 and, in due course, a supplementary grant was approved by Parliament to meet the expenditure on these Boards during 1963-64. It seems, there was a sudden change of policy thereafter and the idea of setting up the Boards was abandoned.

Along with the River Boards Act, Parliament also enacted the **Inter-State Water Disputes Act, 1956** under Article 262 of the Constitution. But provision was made that "no reference shall be made to a tribunal", under the latter Act, "of any dispute that may arise regarding any matter which may be referred to arbitration under the River Boards Act, 1956". It was hoped that, with River Boards established on most inter-State rivers, the provisions of the Inter-State Water Disputes Act would seldom have to be invoked.

The Inter-State Water Disputes Act provides that "neither the Supreme Court nor any other Court shall have or exercise jurisdiction in respect of any water dispute which may be referred to a tribunal under this Act". It authorizes the Central Government, on the request of a State Government, to constitute an ad-hoc Water Disputes Tribunal for any dispute between two or more States with respect to an inter-State river; but strange as it may seem, the tribunal under the Act was to consist of one judge of the Supreme Court or a High Court. Recently, the Act has been amended to provide for three judges to constitute the tribunal instead of one as in the original Act. The Act does not lay down any principles or guide-lines to be followed by the tribunal. It is difficult to understand the logic of adopting, on the one hand, the permissive clause of the Constitution to debar the Supreme Court

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* The Third Five-Year Plan sets out the necessity of inter-State co-operation in the following terms: "River basins, especially those of the larger rivers, naturally extend beyond the boundaries of individual States. In some cases, the most suitable site for harnessing the water resources of a river involving, for instance, less submergence of land or smaller cost of construction, may lie in one State, while the area receiving irrigation or power benefits may lie in another State. *For integrated and economic development of water resources, arrangements for inter-State co-operation are therefore, essential.... The setting up of River Boards* for important river basin, as envisaged in the River Boards Act, 1956, *would enable a coordinated view to be taken of the need of a river basin as a whole, including soil conservation in the catchment area.* Steps to establish River Boards for the more important rivers are being taken in consultation with the States". (emphasis supplied)

from exercising jurisdiction over such disputes and, on the other, to constitute for the purpose ad-hoc tribunals of three judges of the same court or a High Court. The Act is thus contradictory in concept and the recent amendment does not much improve the position. Section 3 below deals further with the employment of the judicial process in resolving inter-State controversies about the use of river waters.

The Electricity (Supply) Act was passed by the Constituent Assembly (Legislative) in 1948, as a Central Act, "to provide for the rationalisation of the production and supply of electricity and generally for taking measures conducive to electrical development".[17] It provides for the formation of semi-autonomous State Electricity Boards "charged with the general duty of promoting the co-ordinated development of the generation, supply and distribution of electricity within the State in the most efficient and economical manner, with particular reference to such development in areas not for the time being served by any licensee". The Act defines the relations between these Boards and the licensees. The Act also provides for the constitution of the Central Electricity Authority, *inter-alia*, to "develop a sound, adequate and uniform national power policy, and particularly to co-ordinate the activities of the planning agencies in relation to the control and utilization of national power resources".

A Board is required under the Act to consult the Authority in respect of every new scheme likely to cost more than 50 lakhs* of rupees and the Authority, before making any recommendation in respect of the scheme, shall "have particular regard to whether or not in its opinion", among other things,

> "any river-works proposed by the Board will prejudice the prospects for the best ultimate development of the river or its tributaries for power-generation, consistent with the requirements of irrigation, navigation and flood-control, and for this purpose the Authority shall satisfy itself that an adequate study has been made of the optimum location of dams and other river works".

The Authority is required to forward a copy of its recommendation to the State Government.

On the setting up, a few years later, of the Central Water and Power Commission, under the Ministry of Irrigation and Power, many of the functions of the Central Electricity Authority came to be performed by the Commission. As of now, while the constitutional

* Since increased to Rs. one crore

entity of the Central Electricity Authority is being maintained, the Power Wing of the Commission virtually functions as the Authority.

With regard to ground water, even though there has recently been a considerable increase in the effort towards their development, there has so far been no legislation in this connection; no legal or constitutional problems have yet emerged.

There has been little change since Independence about inland navigation. Developments, if any, have been of little consequence. No waterway has yet been declared by Parliament as a national waterway.

Present status not satisfactory

It would appear from the above that, in respect of the development of our river basins, most of which extend beyond the limits of a single State, our Constitution is only permissive and does not, by itself, foster any regional approach. Such water law as operates in the country and the administrative institutions concerned are related to the geographical limits of the States which implement the law or control the institutions. The legislation enacted by Parliament in 1956 to foster a regional approach, the River Boards Act, has not been implemented, and there does not appear to be any intention on the part of the present Government of India to do so. The legal and administrative situation, thus, is not in pace with the modern trends towards water resources development, as described in Section 1 above.

The non-existence of any institution to coordinate developments on inter-State rivers is the prime reason for the large number of current disputes on these rivers which, by their very nature, generate strong emotions*, from time to time, in one part of the country or another. As already stated, the organization intended by Parliament to bring about a basin-wise approach for optimum development has not been established on any inter-State river. Instead, the Government of India continues to rely on administrative procedures under which, as part of the planning process, there is an agreement between the Centre and the States to the effect that no large project would be undertaken by a State unless cleared by the Planning Commission and the Government of India. The power so enjoyed by the Central Government

* Referring to inter-State disputes, the Indus Commission (1942) recorded[1]: "cases of this nature, involving, as they do, questions of vital importance to the future development of an entire State or Province, are necessarily fought with great tenacity on each side and often occupy several years in the ordinary courts of law . . . ."

has been used, in some cases effectively, to foster co-operation in the development of inter-State rivers. On the other hand, this procedure tends also to complicate the issues if clearance is given to a project on an inter-State river without securing agreement of other States on that river. Such clearance, it may be noted, has no constitutional validity in respect of water rights of any State but, nevertheless, authorizes expenditure of large sums of public money.

With no River Board having been set up, no adjudication could be sought under the provisions of the River Boards Act. Some years ago, Maharashtra and Mysore requested the Government of India to set up a tribunal under the Inter-State Water Disputes Act in connection with their rights on the Krishna and the Godavari; presumably, the request was not vigorously pursued and the Government of India was reluctant to set up the tribunal. Recently, Andhra Pradesh has, it is understood, also requested for a tribunal and one may be set up soon for the two rivers. There seems to be no move yet for setting up a tribunal for any other river.

Meanwhile, as recorded by the Krishna-Godavari Commission[5] in 1962, State Governments continue to put forward projects assuming for each the highest priority on the available flow without consideration of the requirements of other projects on the same river in adjoining States, or schemes which would submerge large areas in the territory of another State or even adversely affect developments in that State. The result is the ever-increasing number of disputes on inter-State rivers. On some inter-State rivers, while broad agreements have been reached between the concerned States on sharing of waters or other benefits, there is inadequate co-ordination in the day to day operation, leading to occasional complaints by one State or the other. Under present conditions, these disputes and complaints will increase considerably with increasing use of water by projects now under construction or by new projects which must be taken up. The position is thus far from satisfactory; but the worst part is that, so far as known, nothing is proposed to be done about it except for the Union Ministry of Irrigation and Power to continue with its not very effective mediatory efforts and reference of individual disputes to arbitral tribunals in accordance with the provisions of the recently amended Inter-State Water Disputes Act.

No machinery exists at present for the prevention of pollution of the waters of inter-State rivers or for the coordination of activities of the concerned States in respect of afforestation and control of soil erosion; Parliament had provided in the River Boards Act, 1956, for

: functions to be performed by River Boards to be set up under the Promotion of inland navigation is likewise receiving scant ıtion.

(3) JUDICIAL DECISIONS ON INTER-STATE WATER DISPUTES—AN UNHAPPY CHOICE

stitutional reluctance

That disputes between States with regard to inter-State rivers ıld not fall within the jurisdiction of the Supreme Court is in rdance with the provision of Article 262(2) of the Constitution; atter is in turn based on Section 133 of the Government of India 1935 which excluded all matters in respect of water rights from the diction of the Federal Court. That provision was made after an ıination in considerable detail of all aspects of the problem. A t Committee of the British Parliament observed:

"The Federal Court would indeed have jurisdiction to decide any dispute between two Provinces in connection with water supplies, if legal rights or interests were concerned; but the experience of most countries has shown that rules of law based upon the analogy of private proprietary interests in water do not afford a satisfactory basis for settling disputes between Provinces or States where the interests of the public at large in the proper use of water supplies are involved. It is unnecessary to emphasize the importance from the public point of view of the distribution of water in India, upon which not only the prosperity, but the economic existence, of large tracts depends."

ing excluded, for good reasons, the jurisdiction of the Supreme rt over a water dispute between States, to constitute, for its ad- :ation, a tribunal consisting of three judges of the Supreme Court High Court is but a poor substitute. The ultimate settlement of a :r dispute seldom lies merely in the determination of legal rights, ming, which is not true, that a set of inelastic legal principles exist as a basis of that determination. More often than not, neering technique, mutual accommodation, *quid pro quo* or outside ıcial assistance have provided a basis of settlement with large overall :fits not otherwise possible.

There can be no better way to examine the problem further than to y the developments on some rivers in India and abroad and see if e developments could have been brought about by recourse to the :ial process.

Examples from Indian rivers

Among the earlier developments in India may be noticed the Gang Canal in Rajasthan (erstwhile Bikaner State) which was constructed in 1920-28 to supply water from the Sutlej to Bikaner—a non-riparian State; the canal runs for about one hundred miles through the territory of Punjab. Could this development have been brought about by the decision of a court or through any judicial adjudication? Similarly, could Madras acquire the right, through any judicial process, to divert eastward, across the water-shed, for irrigation of a most precarious tract in Madras, the waters of the Pariyar, a river rising in Travancore and flowing, in its natural state, westward into the Arabian Sea. The answer is obviously no.

Coming to more recent times, could any tribunal direct Bihar to submerge its lands for the development of irrigation and for flood control in West Bengal. This is exactly what the Damodar valley development has done under Central legislation. The Damodar Valley Corporation Act was passed in 1948 by the Constituent Assembly (legislative); but it could not have been enacted unless the Legislative Assemblies of Bihar and West Bengal had first agreed that the Centre might do so. On the Chambal, the States of Madhya Pradesh and Rajasthan are sharing equally the costs and benefits of

the Gandhisagar project, situated almost wholly in Madhya Pradesh;*

the hydro-electric development at Rana Pratap Sagar and Jawaharsagar, dependent mainly on the storage at Gandhisagar but situated wholly in Rajasthan;

the Kota barrage in Rajasthan; and

the canals taking off at Kota one of which runs for 81 miles in Rajasthan territory before entering Madhya Pradesh to irrigate 7 lakh acres of land in the latter State.

It should be obvious that such a development could not result through recourse to the judicial process and, but for the mutual co-operation between the two States, the development described above would not have been possible and the people concerned would have been deprived of the potential benefits from the river resources. Similarly, but for the accommodation shown by Punjab (including the present Haryana) and the persuasion of the Central Government, Rajasthan could hardly have acquired a share in irrigation and power

* To facilitate the construction by Madhya Pradesh of the Gandhisagar dam, Rajasthan transferred a few square miles of its territory permanently to Madhya Pradesh.

generation from the Bhakra-Beas complex and made possible the vast irrigation development from the Rajasthan Canal; the judicial process could not have led to the happy result.

Practice in the United States

The United States, like India, is a federation of States with many inter-State rivers. The U.S. Supreme Court has jurisdiction over disputes between States relating to the use of waters of inter-State rivers but, in practice, the Court has generally restricted itself to determining whether or not the action taken or proposed to be taken by one State would cause injury to another. According to a study of the decisions of the Court[10] :

> "...in the only three instances in which the Supreme Court came to a decision on the merits of the case, this took the form of an interim, rather than a final, decree. In no case has the court laid down a specific formula for the apportionment of the water of an inter-State river. Every case was decided in the light of its particular circumstances. The reluctance of the court to exercise supervisory control of inter-State rivers is quite apparent. The court has quite consciously left the details of the necessary regulation to the disputing states as this involves an executive and legislative rather than a judicial function, and has restricted itself to stating whether present injuries or injuries to be expected in the future which were clearly defined and whose effects were unambiguous were sufficiently established."

The U.S. Supreme Court has itself stated[9] :

> "The reason for judicial caution in adjudicating the relative rights of States in such cases is that, while we have jurisdiction of such disputes, they involve the interests of quasi-sovereigns, present complicated and delicate questions, and, due to the possibility of future change of conditions, necessitate expert administration rather than judicial imposition of a hard and fast rule. Such controversies may appropriately be composed by negotiation and agreement pursuant to the compact clause of the Federal Constitution. We say of this case, as the court has said of inter-State differences of like nature, that such mutual accommodation and agreement should, if possible, be the medium of settlement, instead of invocation of our adjudicatory power."

Thus, for adjustment of inter-State issues relating to regional water resource development, there are two channels in the United States:

negotiations leading to inter-State compacts and litigation among the States within the original jurisdiction of the Supreme Court. The first represents the 'co-operative' approach; the second the 'contentious'.[14] But, as shown above, in most cases, the apportionment of waters and the details of regulation, etc. are determined by negotiation between the States concerned and embodied in inter-State compacts. These compacts generally make provision for a joint permanent commission or agency.

Examples from international rivers

Before India and Pakistan agreed in 1952 to accept the good offices of the World Bank, and during stalemates in the negotiations that followed, Pakistan had repeatedly urged that the dispute relating to the use of the waters of the **Indus** be referred for adjudication to the International Court of Justice. But India could not entrust[8] to any outside body the well-being of a large section of her people dependent for their livelihood on the waters of this river. The practical solution to the dispute, which emerged in 1960, after discussions over a period of 8 years, could by no stretch of imagination have been obtained through any judicial process. Had India agreed to Pakistan's request, either the people of India or those of Pakistan or both would have been the sufferers; for the engineering solution, which provides for maximum development in both countries and in the basin as a whole, could have been brought about only by negotiations conducted by a group of persons (engineers and administrators) whose thinking was not restricted by any existing or assumed legal principles. In fact, the Indus Waters Treaty sets up new precedents in international relations in respect of the use of river waters of common concern. It is noteworthy that even when the World Bank, acting as a mediator, had on some occasions urged, as a short-cut to the negotiations, that India and Pakistan should agree to accept third party decisions on relatively minor issues, India consistently refused to do so.

On the Nile, the agreement[8] between Sudan and the United Arab Republic (November 1959), which enabled developments to proceed at the High Dam at Aswan, is another outstanding example of mutually agreed basis of development. Apart from arrangements relating to the flooding of Sudanese territory by the High Dam at Aswan in the U.A.R., this agreement gives Sudan the use of 14.5 billion cubic metres out of a net benefit from the dam of 22 billion cubic metres*; the

* The average annual yield of the river at Aswan taken as 84 billion cubic metres, less the "acquired rights" on the Nile at Aswan of 48 billion cubic metres for U.A.R. and 4 billion cubic metres for Sudan, less the estimated annual evaporation loss from the reservoir of 10 billion cubic metres.

U.A.R. will get the rest of the water and a huge amount of electric power.* Such arrangements between different countries can only be negotiated; these cannot be secured through a judicial process even assuming that there was a court with the jurisdiction to adjudicate and it was possible to enforce its decision.

The negotiations leading to the recent Columbia River Basin Treaty, between Canada and the United States of America, presents some important features which must be noted here.[12] The Columbia river is shared by two highly developed countries, with a long tradition of friendship and trust between them. Also, the developments on the Columbia are relatively free from the difficult problems that arise when relatively large quantities of water have to be diverted for agricultural use. Yet the negotiations leading to the treaty took almost 20 years; it is important to note the procedure adopted.

As early as 1909, Canada and the U.S.A. entered into a treaty laying down principles and procedure for resolving the then existing (and future) disputes between them relating to boundary waters *etc.* A continuing organization—the International Joint Commission—was set up under this Treaty to assist the two Governments. In 1944, under the provisions of the 1909 Treaty, the Commission was entrusted with the task of working out the possibilities for co-operative development on the Columbia. Thereupon, a joint Engineering Board was set up by the International Joint Commission. This Board, after extensive field surveys and technical studies, submitted its report in 1959. This report indicated a number of sites in Canada suitable for large storage reservoirs which could be used for regulation of river supplies to the benefit of both countries. It presented three alternative plans of development. The International Joint Commission was then asked to formulate its recommendations concerning the principles by which the benefits to be realized could be assessed and apportioned between the two countries. Its report was submitted in December 1959 whereupon the two Governments appointed delegations to negotiate the terms of a Treaty which was signed in January, 1961. The United States ratified the Treaty soon thereafter but in Canada a number of problems had still to be resolved between the Federal Government and the province of British Columbia. These related to Centre-State relations—the degree of control the federal government was to exercise over the development of power in British Columbia. Two years elapsed before agreement could be reached between the province and the federal government. It was only in September, 1964 that the ratifications were exchanged together with a Protocol Note embodying agreed

*Installed capacity of 12 units of 175,000 kW each, at the designed head.

changes in the Treaty provisions and supplementary provisions to accommodate the point of view of British Columbia. *This treaty represents an important step toward achieving optimum development of the river from which either country will receive benefits materially larger than it could obtain independently.* From the point of view of Canada[13], the Treaty commits Canada to manage the river in its territory "within general guidelines designed to protect the objectives of the cooperative undertaking, and yet leaves that country with sufficient flexibility to proceed with the optimum power development in its own part of the basin and, even more essential, to use the waters of the Columbia system to meet the consumptive needs of that nation". On the other side, "the United States will secure a large block of power at low cost, substantial flood control benefits,... at a much earlier date and at a cost materially less than would be the case were they to be provided exclusively through projects in the United States".[11] Such a result could not be achieved by any judicial process nor could the latter be used to obtain acceptance of the principle adopted in the treaty to the effect that the upstream riparian should receive a share of the benefits which the downstream riparian can get from the activities of the upstream riparian on its reach of the river.

Inherent difficulties

The three international treaties mentioned above created new rules of law between the signatories in relation to the specific rivers. This legislative work cannot be left to any outside agency but has to be evolved by the parties themselves, in the light of the conditions and requirements of each river. While few will contest that negotiation can be the only practical method for resolving conflicts regarding the use of river waters as between independent countries, the position is or should be different, it is often urged, when the contending parties are States within a federation, within the same political and economic unit. Contrary to the position in the international field, it is within the competence of the national legislature to give jurisdiction over such matters to its supreme court or any ad-hoc body to be established by law. There is danger, however, as shown above, that recourse to the judicial process might not lead to optimum development of the natural resource with consequent and permanent loss to the well-being and future prosperity of the people concerned. And this danger is particularly significant at the present stage of our development, with inadequate basic data of river flow on most rivers, with no plans or inadequately worked-out plans of development, in the absence of any principles laid down either in the Constitution, or by legislation, to guide adjudication, and in face of the serious difficulty of interpreting such principles, even if they did exist.

It has been stated above that, prior to 1937, the Government of India had to be consulted with regard to every major irrigation project. Whenever questions arose of water rights between provinces and states, that Government was guided by two considerations[2]:

> that the waters of a river should be utilized to the best possible advantage (for the maximum good of the maximum number) in the tracts commanded, irrespective of territorial boundaries;*
>
> that it is both just and expedient that each case of dispute between provinces or between a province and a state should be dealt with on the merits of the individual case; the principles on which a decision was based in one case are not necessarily applicable to another.

No general principles could emerge under such conditions as guides for judicial adjudication of inter-State disputes relating to the use of river waters.

The Indus Commission (1942) found that the following general principles for distribution of the water of inter-State rivers seemed to emerge from a study of the practice in other countries[1]:

> "The most satisfactory settlement of disputes of this kind is by agreement, the parties adopting the same technical solution of each problem, as if they were a single community undivided by political or administrative frontiers.
>
> "If once there is such an agreement, that in itself furnishes the 'law' governing the rights of the several parties until a new agreement is concluded.
>
> "If there is no such agreement, the rights of the several Provinces and States must be determined by applying the rules of 'equitable

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* An appropriate example is the allotment of the waters of the Sutlej to Bikaner, a non-riparian state. Prior to the preparation of the Sutlej Valley Project (1920), there was a lengthy dispute with the Bahawalpur Durbar in regard to the utilization of the waters of the Sutlej; the main bone of contention was the inclusion in the project of some areas in Bikaner, a non-riparian state. The dispute was eventually settled at a conference of representatives of the Government of India, the Government of Punjab, and the Bahawalpur and Bikaner Durbars, at which it was emphasized that the paramount power was the sole judge. This decision was eventually accepted by Bahawalpur, and the folllowing formula was agreed to:

> "That in considering the method of disposing of the waters made available for irrigation by the Sutlej Valley Project, the general principle is recognized that those waters should be distributed in the best interests of the public at large, irrespective of provincial or state boundaries, subject always to the proviso that established rights are fully safeguarded or compensated for and that full and prior recognition is given to the claim of riparian owners, and that their rights in existing supplies or in any supplies which may hereafter be made available in the Sutlej River below the junction of the Beas and Upper Sutlej are fully investigated and are limited only by the economic factor."

apportionment', each unit getting a fair share of the water of the common river.

"In the general interests of the entire community inhabiting dry, arid territories, priority may usually have to be given to an earlier irrigation project over a later one: 'priority of appropriation gives superiority of right'.*

"For purposes of priority, the date of a project is not the date when survey is first commenced, but the date when the project reaches finality and there is 'a fixed and definite purpose to take it up and carry it through'.

"As between projects of different kinds for the use of water, a suitable order of precedence might be (*i*) use for domestic and sanitary purposes, (*ii*) use for navigation, and (*iii*) use for power and irrigation."†

The Commission propounded these principles in September, 1941, on the first day of its open session, and after hearing all the interested units, expressed its views in the following terms:

"All parties have accepted the general principles which we tentatively formulated on the first day after examining the practice in other parts of the world. It follows from them that the rights of the several units concerned in this dispute must be determined by applying neither the doctrine of sovereignty, nor the doctrine of riparian rights, but the rule of 'equitable apportionment', each unit being entitled to a fair share of the waters of the Indus and its tributaries."

Referring to the earlier decisions of 1937 regarding the use of the Indus waters, the Commission stated:

"The orders of the Government of India, dated March 30, 1937, proceeding, as they did for the most part, on the consent of the units concerned, must be regarded as having secured the most equitable apportionment then possible. If owing to material errors in the original data, or a material change in river conditions, or other sufficient cause, those orders are now found to be inequitable, and if a more equitable arrangement can be discovered

* It may be noted that the Indus Waters Treaty, 1960 modified this principle as follows: "Historic withdrawals of water must be continued, but not necessarily from existing sources". No fair and adequate plan could, it was stated, be devised if existing uses must be supplied from existing sources.

† The Commission observed "that the ranking of different uses in a particular order of precedence depends on the circumstances of the river concerned. And even as regards the same river, different authorities may take different views."

in present circumstances, with due regard to the interests of all the units concerned, the original orders may properly be modified. This implies, of course, that a modification of the orders in one particular may necessitate consequential modifications in other particulars by way of redressing the balance between the several units."

Now let us turn to this rule of 'equitable apportionment' which seems to command general acceptance. After several years of debate, in August, 1966, the International Law Association defined[16] this rule,* for application to international rivers, in the following terms and this comprehensive definition may, with advantage, be used for inter-State rivers:

"Each basin State is entitled, within its territory, to a reasonable and equitable share in the beneficial uses of the waters of an international drainage basin.

"What is a reasonable and equitable share .... is to be determined in the light of all the relevant factors in each particular case.

"Relevant factors which are to be considered include, but are not limited to:

"the geography of the basin, including in particular the extent of the drainage area in the territory of each basin State;

"the hydrology of the basin, including in particular the contribution of water by each basin State;

"the climate affecting the basin;

"the past utilization of the waters of the basin, including in particular existing utilization;

"the economic and social needs of each basin State;

"the population dependent on the waters of the basin in each basin State;

"the comparative costs of alternative means of satisfying the economic and social needs of each basin State;

"the availability of other resources;

"the avoidance of unnecessary waste in the utilization of waters of the basin;

"the practicability of compensation to one or more of the co-basin States as a means of adjusting conflicts among uses; and

* The International Law Association being a non-Governmental organization, the question does not arise of the rule having been accepted by, or the rule being binding on, the Government of any country or State.

"the degree to which the needs of a basin State may be satisfied, without causing substantial injury to a co-basin State.

"The weight to be given to each factor is to be determined by its importance in comparison with that of other relevant factors. In determining what is a reasonable and equitable share, all relevant factors are to be considered together and a conclusion reached on the basis of the whole."

It would be obvious that the conclusion, referred to above, cannot be reached nor 'a reasonable and equitable share' determined by any judicial process. Such determination can properly be made only by persons who have special knowledge and understanding of water resources development and must not be made unless and until detailed engineering studies of different possible plans of development have been prepared on a comparable basis and evaluated. It is important to note in this connection that before one can proceed to determine shares of different States, one must first know the total available or utilizable flow to be shared. This itself is more often than not in dispute and its determination is not a matter of law but of engineering judgement to be based on an analytical study of river flow data and the seasonal variations in flow, on an expert examination of the physical features of the river and on the ever-developing technique of dam construction.

A plea that is frequently put forward in India is that water resources are national assets; these should be developed in the best interest of the nation. But those who advocate this rely on their own subjective understanding of national interest. It is generally noticed that people of each State, of each district and even of part of a district regard, not without some justification, the particular project of interest to them as one in the best national interest and they would not recognize that any one else has a right to express a contrary view. They would not stop to consider that any project for water resource development, if economically justified, no matter in which State it lies, must benefit the country as a whole. It is possible, however, that some plans of development may be more beneficial than others. While few people will not concede that, in such cases, overall national interest should prevail, there must be some objective test for determining which particular plan would be more in the national interest than another.

It would appear from the above that such general principles as one can bring to bear are not, by themselves, of much help in adjudicating on the respective rights of different States in respect of the economic use of waters of inter-State rivers. Under these conditions, the award

of a tribunal, even of three judges,* is hardly likely to satisfy all parties, it may not satisfy any one. On the other hand, it may stand in the way of maximizing developments from a river, if for no other reason, by freezing a situation otherwise capable of being improved upon by further study or by development of engineering technique. On matters closely related to the permanent well-being or otherwise of large sections of the population, it is extremely difficult to control emotions and passions that may thus be generated and one cannot hold, with confidence, that the award of the tribunal, the limitations imposed, would be faithfully administered by the concerned State or States on which rest the ultimate responsibility and the authority to control the waters.

(4) A NEGOTIATED SETTLEMENT IS THE BEST SETTLEMENT

As has been illustrated by the examples given above of developments on some inter-State and international rivers, a proper assessment of resources, employment of the best engineering technique to maximize benefits and detailed analyses of alternative plans of development must play an important role in working out a settlement which would commend itself to the parties and be in the best national interest. Apart from this, conditions vary widely and each river is a law unto itself. It is for these reasons that a negotiated settlement is the best possible solution of a water dispute between States—it leaves no bitterness behind and, having been voluntarily agreed to, carries with it the best prospect of being implemented faithfully; the latter aspect may, in some cases and in course of time, become even more important than the immediate resolution of a dispute. In the ultimate analysis, equity lies in what the parties agree upon as equitable. Accordingly, all the time, energy and thought that may have to be spent to secure a mutually acceptable settlement of a water dispute is worth-while.

The principal reasons why it has not been possible so far to resolve, by negotiation, the inter-State disputes on the Krishna, the Godavari, the Narmada and several other rivers in India are:

> There do not exist, as basis of negotiation, basin-wise plans of development, or alternate plans, prepared with the participation of the concerned States.
>
> Such spasmodic negotiations as have been conducted were apparently not meaningful, were not conducted systematically nor in

* As per recent amendment of the Inter-State Water Disputes Act, 1956. The fact that the Tribunal may have "two or more persons as assessors to advise it" would not materially alter the situation.

the proper atmosphere. For example, for the Union Ministry, acting as a mediator, to make a public statement of its proposals to resolve the controversy, as it did in the case of the Krishna and the Godavari, was bad tactics; no wonder, the proposals were rejected by all the parties.

On these rivers, as well as on the Narmada, some of the principal items in dispute relate to projects which had been framed, sponsored or cleared by the Union Ministry of Irrigation and Power, ignoring in a few instances, the objections raised by some States. For the same Ministry to assume the role of a good officer or mediator can hardly inspire the confidence which the parties must have in a mediator.

Whether the Central Government is a party to a dispute or not may be contended, the fact remains that this Government is, directly or indirectly, so deeply involved in some of the matters under dispute that it would be well advised to stay out of the picture and should urge the States concerned to settle the matter between themselves, directly or with the help of one or more mediators of their own choice. Only if such mediation, given a fair trial, fails, should the parties consider recourse to some form of arbitration. It may sometimes happen, when a dispute has been allowed to linger on for long, that a State Government or the party in power, finding it embarrassing to take on itself the onus of agreeing to a solution of the dispute different from its earlier declarations, may want to seek arbitration on the dispute, as a measure of political expediency. This would be nothing short of abrogating the Government's responsibility to the people of the State and the Government may land itself, or its successor, into situations even more embarrassing than that it tries to escape from. In case of an adverse decision by the tribunal, the people affected would, for ever, decry the Government's decision to seek arbitration.

(5) CO-OPERATIVE APPROACH LIKELY TO PROVIDE THE BEST SOLUTION

Reference has been made in Section 1 above to the growing realization in most countries that, for optimum development, water resources should be considered on the basis of a whole drainage basin. With all major rivers of the country flowing through more than one State and with States constitutionally semi-sovereign in respect of land and water development, the only practical way to secure basin-wise development of river resources, in the light of the special problems inherent in such development, as briefly described above, lies through a

co-operative approach, based on due recognition of the constitutional rights of the concerned States and the reasonable requirements of the people of those States. In this connection, it would be pertinent to refer here to a recent U.S. Act, passed by Congress in 1965, for the establishment of river basin commissions.

River basin Commissions in U.S.A.

The Water Resources Planning Act, 1965, provides, *inter-alia*, for the establishment of Federal State river basin planning commissions for any river basin or group of river basins upon a request, made to the President, by the Water Resources Council* or the Governors of at least half of the concerned States.[15] "With water and related land functions carried out at all governmental levels and by private enterprise, it is important that what is done within the same region in the utilization of water and related land resources make sense. Conflicts need to be ironed out and opportunities for complementary action fully utilized....

"The functions of a Commission are:

> "To serve as the principal agency for the coordination of Federal, State, inter-state, local and non-governmental plans for the development of water and related land resources;
>
> "To prepare and keep up to date a comprehensive, coordinated joint plan for Federal, State, inter-state, local and non-governmental development.

"Members of Commissions are one from each State; one from each Federal department or independent agency determined by the President to have a substantial interest; one member appointed by any relevant inter-State agency created by compact to which the consent of Congress has been given; and one member, when appropriate, from the United States Section of a related international commission.

"The chairman is appointed by the President. He is also the co-ordinating officer of the Federal members.... He represents the Federal Government in Federal-State relations on the commission. State members are to elect one of their number as vice-chairman, and he is to coordinate the State members and represent the States in Federal-State relations on the commission.

"The Act recognizes that meaningful collaborative planning requires consensus.... In view of that fact, the Water Resources

* Consisting of the Secretaries of Agriculture, the Army, the Interior, and Health, Education, and Welfare and of the Chairman, Federal Power Commission.

Planning Act contains no provision for voting within the commission; and indeed, the legislative history makes it clear that it was the intention of the framers that commission decisions would *not* be determined by voting.

"The requirement of ultimate consensus does not mean, however, that the river basin commissions will face a choice only between unanimity and deadlock. The Act provides that, in the case of failure to reach consensus, full opportunity is to be afforded each member to present his views and have them reported; and, in another provision, the commission is directed to include in its comprehensive plans an evaluation of all reasonable alternatives.

"These provisions mean that a commission, failing to agree, has not reached a dead-end, but has the means for agreeing to disagree, for continuing its activities in the hope of reaching consensus, and for referral of alternatives for legislative decision at the appropriate level of government."

River Boards

The River Boards Act, 1956, as indicated earlier in Section 2, aimed at securing optimum regional development and had in it the potential for fostering a co-operative approach. It was, however, unfortunately worded: "... expedient... that the Central Government should take under its control..."; but the Act gave little authority to the Centre. The Act emphasised, and rightly so, the importance of basin-wise development and provided machinery for tendering advice on the subject to the concerned States. However, it did not contain any specific provision for engendering co-operation between these States. On the other hand, Section 22, which enabled any State to seek arbitration on disputes or differences arising out of any advice tendered by a Board, stood in the way of such co-operation. It was because of this shortcoming in the Act that the Krishna-Godavari Commission, while recognizing the need for inter-State co-operation, did not show any enthusiasm for creating a River Board under the Act but stated[5] :

> "The Commission recommends that an inter-State body, a River Board or by whatever name called, should be established without any delay, for bringing about a co-operative approach and establishing the necessary co-ordination in the planning and operation of various developments in the two river basins. The integrated operation of all projects, which is indispensable, would not be possible without such a co-ordinating body."

Some of the shortcomings of the River Boards Act were, however, made good in 1963, when it was decided to appoint a Chief Engineer to be nominated by each of the concerned States as an ex-officio member of a River Board and provision was made in the revised draft of the Rules under the Act requiring the Central Government, before appointing an Arbitrator under Section 22, to "take such steps as it may deem fit to settle the matter in dispute by negotiations" and to proceed to appoint an arbitrator only if, in its opinion, the matter in dispute could not be settled by negotiation.

It was the intention in 1963 that after some River Boards had been set up and had begun to function, the Act would be amended in the light of the experience to be gained. With regard to settlement of controversies between States, Sir V. T. Krishnamachari expressed the view that even if the Boards were unable, by themselves, to secure agreement between the States, their objective reports, prepared after a detailed examination, cooperatively made, of the technical issues involved, would help in building up public opinion necessary for reaching political settlements.

An inter-State body like a River Board is likely to provide the best practical approach towards prevention of pollution of river waters, control of soil erosion, optimum development of ground waters and promotion of inland navigation. Some legislation concerning these activities will no doubt be necessary but there would be no better way of drawing up the requisite legislative measures and of implementing them than through regional co-operative institutions which would treat a whole river basin as a single unit. Such institutions would also play an important role in building up public opinion towards making the most economical use of a scarce natural resource, developed at considerable public expense.

Essential elements

To foster a co-operative approach, it is necessary not only to create regional institutions like River Boards but also to adopt procedures likely to engender confidence between different States on a river basin. All relevant facts must be made freely available to all concerned and no attempt should be made, as is sometimes evident, to present a *fait accompli.*

Based on the discussion in the preceding paragraphs and in the light of the experience and practices on several inter-State and international rivers, the following would appear to be the principal elements

essential for promoting a co-operative approach towards optimum and orderly development of our inter-State rivers:

(1) The general approach to the problem should be functional and should, within the frame-work of the Constitution, aim at accommodating to the maximum extent possible the aspirations of all the concerned states.

(2) As full assessment of a resource is *sine qua non* of its development, a central independent agency should, on a permanent basis, make periodical observations of river discharges at all key stations on each inter-State river.* Complete statistics of river flow and use must be published; the data cannot be treated as privileged.

(3) For optimum development, to accommodate all existing and proposed schemes, and to guard against potential conflicts, water resources need to be treated on the basis of a whole drainage basin or an entire river system. To the extent possible, surface waters and ground waters must be considered together, in an integrated manner. The benefits to be derived may not, however, necessarily be confined to the basin.

(4) For each inter-State river, there must be a permanent body, consisting essentially of engineers of the concerned States, to make a continuous study of all matters relating to, or arising out of, the conservation, development, use, regulation and control of the waters of the basin, for maximum permanent benefit to the community. Such a body may include one or more independent experts.†

(5) Before undertaking any project on an inter-State river, unless the project is part of a master plan of development of the river (see 6 below), a detailed examination must be made:

of the availability of waters required for the project after allowing for all existing and future uses, upstream; and

of the hydrological consequences of the operation of the project on existing or future works, downstream on the river,

and the consent of the concerned States secured.

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* The Central Government has already taken on itself the task of river gauging at key points on the Ganga, the Krishna, the Godavari and the Chenab.

† Such bodies may be formed by agreement between the States concerned or under the River Boards Act (1956). The Act needs to be amended to provide for the establishment of River Boards on a compulsory (not optional as at present) and permanent basis. Section 22 relating to arbitration should be deleted from the River Boards Act and, as a consequence, Section 8 of the Inter-State Water Dispute Act should also be deleted. In other words, the Board should be purely advisory and its advice is not to be treated as a handle for starting arbitration proceedings.

(6) For each inter-State river a master plan of development of the whole river system, or alternative master plans, should be prepared, co-operatively, by the States concerned with the assistance, if needed, of independent experts. In making such plan or plans, the following guide-lines are important:

(*a*) Each State in the river basin is entitled to all the non-consumptive uses it can enjoy in its territory without affecting adversely other States through which the river flows.

(*b*) Each State in the river basin is entitled to an equitable share of the river flow for consumptive use (under special conditions, areas outside the basin may also be given a share of the waters).

(*c*) To ensure orderly development and smooth operation, allocation of supplies to each State should be such as will afford to it the greatest possible freedom of action in the construction, operation and management of its projects, subject only to the requirements of coordination of related activities of different States.

(*d*) The plan should aim at multi-purpose development, irrigation, power, domestic and industrial uses, navigation, fisheries and recreation, and should include measures for flood control to the extent possible and necessary. Surface waters, return flow, and underground waters must be considered in an integrated manner.

(*e*) Co-operative action, under terms to be agreed upon, must be encouraged when:

(*i*) conservation storage in one State is needed for the benefit, wholly or partly, of one or more downstream States;

(*ii*) a storage dam in one State would submerge some territory of one or more upstream States;

(*iii*) benefits to each participating State from a co-operative undertaking would exceed those available to it from projects within its own territory.*

(*f*) The plan, as a whole and each component of the plan should be technically sound and economically justified. In view of changing economic values and improvements in engineering technique, it will generally be possible

* This represents an objective test for overall national interest.

to improve upon any plan in course of time. To the extent possible, therefore, some flexibility must be built into the plan.

(*g*) The plan, as a whole, should be politically acceptable to the parties.

(7) A negotiated agreement is the best possible settlement of conflicting claims on, or disputes relating to the use of, the waters of an inter-State river and carries with it the best prospects of being implemented faithfully. This should be accomplished by direct negotiations between the States concerned assisted, when necessary, by one or more mediators acceptable to the parties. Only in extreme cases, when all efforts at settlement by negotiation have failed, should arbitration be resorted to.* Since independence, the Government of India has consistently held the view that water-disputes between independent countries must be resolved only by negotiation. The same position should, ordinarily, apply between States of the Union, quasi-sovereign in respect of land and water resources. In recent times, some of the most complicated water disputes have been resolved, by negotiation, in different parts of the world. There is no reason why it should not be possible for the State Governments in India to find satisfactory solutions for their problems on inter-State rivers provided appropriate conditions are created, as set out above.

(8) Along with the master plan of development, as set out in (6) above, a study should be made of the existing activities in the basin in respect of soil and water conservation with a view to coordinate and supplement these activities as part of a long-term inter-State plan of land management in the best interests of the basin as a whole.

(9) In view of the fact that water is a scarce raw material in large parts of the country and an expensive commodity, and will be increasingly so in the years to come, as a long-term measure,

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* The parties may enter into a special agreement (compromis) specifying the issues in dispute, the composition of the arbitral tribunal and such other matters as may be agreed upon between the parties. Alternatively, the tribunal may be appointed under the Inter-State Water Disputes Act which needs to be amended:

(*i*) to provide that the tribunal should consist of not less than three persons including a majority of those who have special knowledge of water resources development, and

(*ii*) to ensure that, to the extent indicated by the nature of the dispute, the problem is first dealt with co-operatively, following generally the procedure indicated in this Section.

a plan of co-operative action should be prepared for each river basin:

to make the most economical and beneficial use of the waters already harnessed; and

to create new sources of water to the extent possible.

Practical measures towards these would include:

reduction of seepage losses from canals, distributaries water courses, field channels and from the beds and sides of reservoirs and tanks; removal of weeds and jungle from the sides of canals, reservoirs and tanks to save transpiration losses—at present, more than half of the waters obtained from rivers are being thus lost;

reduction of evaporation losses from reservoirs and tanks;

closed circuit use of water for thermal power plants and in industries;

introduction of good water-management practices in irrigated agriculture;

prevention of pollution of river water, not to permit any sewage or industrial waste to flow into a river, *nalla* or drain without proper treatment;

reduction in transpiration losses from aquatic growth and bush along rivers, natural streams and other natural collections of water;

use of waters of natural and artificial drains for irrigation;

re-use of municipal waste for irrigation;

rendering brackish ground waters fit for irrigation;

conversion of sea water to fresh water, to begin with, for industrial use and domestic water supply.

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LAND ACQUISITION AND PROGRAMME EVALUATION AND REVIEW TECHNIQUE (PERT)

V. Sundaram

THE implementation of a major programme imposes a many-sided challenge. In our Five Year Plans, for example, the greatest stress is always on speedy and thorough implementation. Why is the implementation so difficult ? Because it involves direction and management of large number of men, machines and materials. Besides, one has to give allowances for the factors like human failing, risks, chances, etc. One has to continuously re-value the system in the light of its working and objectives.

PERT is a modern technique which was used in the U.S. Navy in 1958. This technique is also known by other names like CPM (Critical Path Method), PEP (Programme Evaluation Procedure).

PERT is a statistical technique, based on the concept that in any programme there are three variables: (1) Time, (2) Resources (men, material, money), and (3) Performance specifications. Any one of these may vary within certain limits established for each programme, while holding the other two constant. For example, holding time and performance constant, the requirement for resources may be determined. In its specific application to the Polaris programme in U.S., the system held resources and performance specifications fixed, while allowing the most critical element—time—to vary.

PERT network is the working model of a technique. It illustrates, by diagram, the sequential relationships among the tasks which must be completed to accomplish the project. PERT treats planning and scheduling separately. First the plan is developed and then the time limitations are added to the problem.

The first step in developing PERT network is to prepare a list of all the activities needed to complete a project. Next, the network is constructed to show the sequential relationships among the activities. There are two elements shown on the network diagrams, namely, (1) activities, and (2) events.

Activities are the time-consuming effort which is required to complete a specific segment of the total project. The activities may, for example, be engineering drawings, laying foundations, interior decorating, etc. Activities are shown in the network as a solid line, with an arrow showing the direction of activity.

All activities begin and end with an event, which indicates the completion of a distinct segment of a programme. An event is illustrated by a circle or ellipse. Numbers are written on events to identify them.

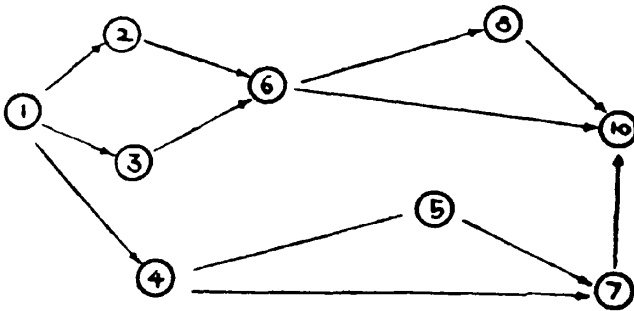



FIG. 1

Figure 1 is an example of a simplified PERT network. Each event is numbered for the purpose of identification. Thus activity 1-2 is the activity which takes place between events numbered 1 and 2. It is possible to start the diagram from the completion of the project and work backward, or from the beginning and work toward completion.

The length of the arrow (the activity) *does not* indicate the time it takes to complete the activity or to get from one event to the next. However, it does represent the logical sequence of activities and events. It illustrates, for example, which activities must be completed prior to the start of a particular activity, which activities can be worked in parallel, and which activities cannot start until a previous activity is completed. In the figure, activities 2-6 and 3-6 must be completed before activity 6-8 or 6-10 can begin. Event 6 signifies the completion of activities 2-6 and 3-6 and the starting point for the related activities which follow.

Dummy activity is an activity which does not require any time at all. Such activities are shown by dashed lines.

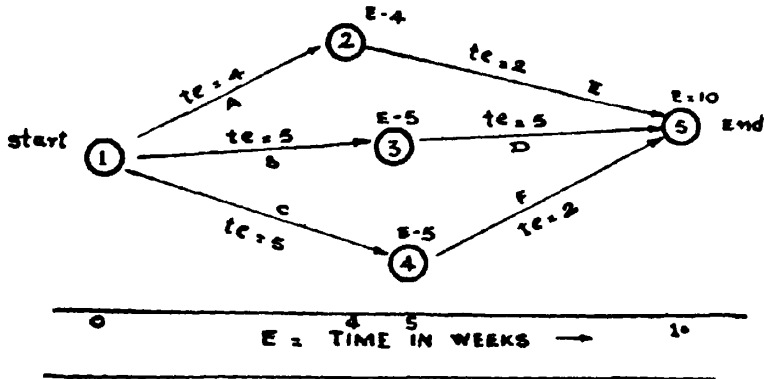



FIG. 2

Let us take a simple case where the programme starts at (1) and ends at (5). The expected time taken is 10 weeks.

E : the time between zero event and final event.

te : time of an individual activity.

This network is simple. The critical path is defined as the *longest* sequence from the beginning event to the end objective. The middle path is obviously the critical path.

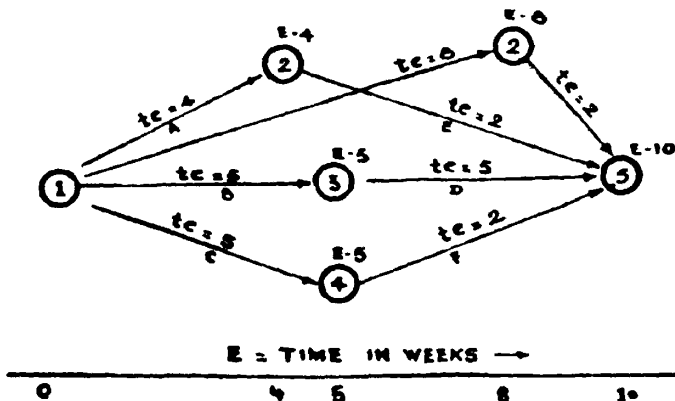



FIG. 3

From the diagram it is clear that the events not on the critical path must have a 'slack' in the timing. We find that event 2 might have happened *without affecting the other events on critical path* any time

between E: 4 and E: 8. Therefore, there can be a slack of 4 weeks in the happening of event 2 without affecting the programme on the whole. The main advantage in noting before hand the slack is that resources can be allocated from the slack event to those on the critical path, if there is any shortage of resources. The principle is that the events on the critical path should not be allowed to be delayed.

The network defines all activities to be accomplished. As the network is outlined and each activity is identified and planned, a distinct *personal responsibility* can be handed down in respect of any event. The unassigned and the vague areas of responsibility could be definitely identified and resolved.

The problems of co-ordination among operating elements within a large organization could be quickly identified and timely action taken.

The system lends itself to accurate evaluation at any time. It provides excellent information for review during any time of the progress of a project.

The 'slack areas', where some delay will not preclude the meeting of end objective in time, could be identified, and resources properly allocated.

II

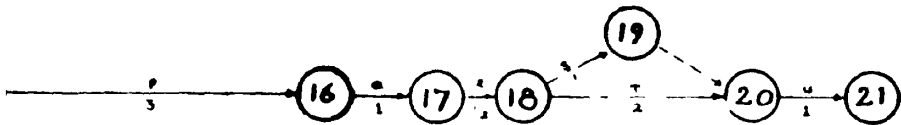
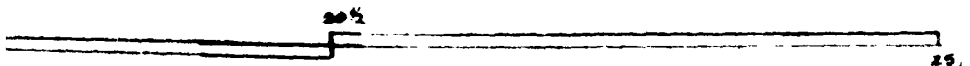
Let us try to apply the PERT to a practical example, that of land acquisition. The list of activities involved in any acquisition by Government is shown at page 939. This list may not be completely exhaustive, and a user may add, more stages or cut out stages, as he desires. But it would serve the purpose of illustration by the practical use of PERT. A network has been prepared on the basis of this test and is shown in Figure 4.

Most of the readers must be familiar with the various stages of the land acquisition proceedings. However, for the sake of clarity, the relevant provisions of the land so far as they are necessary for the present discussion are given below:

"Whenever it appears to the appropriate Government that land is needed, or is likely to be needed, for any public purpose, a notification to that effect is to be published. Thereupon, an officer is to enter upon such land and to do certain acts to ascertain whether the land can be adapted for such purpose, and to set out the boundaries of the land proposed to be taken, etc. (Section 4).

SITION

NOTES :-

1. ARROWS INDICATE ACTIVITIES.
2. CIRCLES INDICATE EVENTS.
3. FIGURES WITHIN CIRCLES INDICATE THE SERIAL NO. OF ACTIVITIES.
4. LETTERS INDICATE NAMES OF ACTIVITIES.
5. FIGURES INDICATE TIME IN WEEKS.

EKS.

Any person interested in any land, which has been notified under S. 4, may, within thirty days after the issue of the notification, object to the acquisition. The Collector, after hearing these objections, and after making such further enquiry as he thinks necessary, submits the case to the appropriate Government for its decision. The decision of the appropriate Government on the objections is final. (S. 5A).

When the appropriate Government is satisfied that any particular land is needed for a public purpose, or for a company, it makes a declaration to that effect. Such a declaration, stating certain particulars, is published in the official Gazette. This declaration is conclusive evidence that the land is needed for a public purpose or for a company. (S. 6).

The powers of the appropriate Government pertaining to Section 4, 5A and 6 have been delegated to Divisional Commissioners in Maharashtra State.

After a declaration under Section 6, the appropriate Government, directs the Collector to make an order for the acquisition of the land. (S. 7).

The Collector thereupon causes the land (if not already marked under S. 4) to be marked out, measured, and a plan to be made of the same. (S. 8).

The Collector then causes public notice (stating certain particulars) to be given. Such notice states that the Government intends to take possession of the land and that claims to compensation for all interest in such land may be made to him. (S. 9).

Next, the Collector proceeds to enquire into the objections (if any) made by the persons interested to: (*a*) the measurements made under S. 8, (*b*) the value of the land at the date of the publication of the notification under Section 4, and (*c*) the respective interests of the persons claiming the compensation.

He then makes an award under his hand of: (*a*) the true area of the land, (*b*) the compensation which in his opinion should be allowed for the land, and (*c*) the apportionment of the said compensation among all the persons known or believed to be interested in the land. (S. 11).

Such award is filed in the Collector's office, and, except as provided in the Act, is final and conclusive evidence, as between the Collector and the persons interested, whether they have respectively appeared before the Collector or not, of the true area, the value of the land and the apportionment of the compensation among the persons interested. (S. 12).

In determining the amount of compensation, the Collector is guided by the provisions contained in Sections 23 and 24 of the Act. (S. 15).

When the Collector has made an award under S. 11, he may take possession of the land, which thereupon vests absolutely in the Government free from all encumbrances. (S. 16).

In cases of urgency, whenever the appropriate Government so directs, the Collector, though no such award has been made, has power, on the expiration of fifteen days from the publication of the notice mentioned in S. 9, to take possession of any land. Such land thereupon vests absolutely in the Government free from all encumbrances. (S. 17).

III

Let us indicate the receipt of land acquisition proposals from the acquiring body by *O* Event: Receipt of the proposal from the Acquiring Body and the different activities involved in land acquisition by *A*, *B*, *C*, etc. at opposite page.

As we have already seen each activity is always preceded and followed by an event. The succeeding event always marks the completion of the activity. Even (1), for example, would show the completion of obtaining the preliminaries from the Acquiring Body.

The network prepared, as shown in the diagram, is self-explanatory. However, some useful comments could be made here.

It is emphasized that the network prepared is not the perfect network in absolute terms. If one increases the list of activities, the network will accordingly change. If one wants to alter the happening of a certain event, he may accordingly change the network.

With a view to reducing the delay, attention has to be focussed on the critical path and nothing should be allowed to delay the critical path activities.

TABLE

Beginning Event	*Ending Event*		*Description*	*Activity Duration (in weeks)*
		O	*Receipt of the proposal from Acquiring Body*	
0	1	*A*	*Obtaining the preliminaries from the Acquiring Body*: { (*i*) 3 copies of blue print (*ii*) Area schedule of land (*iii*) Demarcation certificate }	1
0	2	*B*	Obtaining from the Acquiring Body financial and administrative sanction for expenditure	2
0	3	*C*	Report from Tahsildar with copies of Record of Rights, crop statement, tenants, etc.	2
0	4	*D*	Making joint measurement	2
0	5	*E*	Obtaining sales statistics from the Sub-Registrar	4
1,2,3,4,	6	*F*	Finalising and submitting the proposals for Section 4 Notification	1
6	7	*G*	Publication of Section 4 Notification	2
7	8	*H*	Issuing of notices under Section 4(1) for service and publication	$\frac{1}{2}$
8	9	*I*	Receiving of objections	6
9	10	*J*	Hearing of objections	1
10	11	*K*	Spot inspection	1
11	12	*L*	Finalising and submitting proposals for Section 6 Notification	1
12	14	*M*	Publishing of Section 6 Notification	3
12	13	*N*	Preparing of notices under Section 9, both public and individual	1
13,14	15	*O*	Issue of notices	$\frac{1}{2}$
5,15	16	*P*	Enquiry under Section 11	3
16	17	*Q*	Framing and declaration of award	1
17	18	*R*	Issue of notices to parties	$\frac{1}{2}$
18	19	*S*	Taking possession of the land Under Section 16	1
18	20	*T*	Payment of compensation	2
19,20	21	*U*	Submitting proposals for alteration in the Land record	1

It is better to start an activity as early as possible to reduce delay. But care should be taken that such an action does not lead to wasteful work. For example, it would be better to start the activities *A,B,C,D,E*, immediately after zero event. Some explanation is necessary about activity *E*. It is known that the sale transactions from the Sub Registrar, are required mainly at the time of preparing the award. But as this is generally delayed, it may start after zero event. The only difficulty is that if as a result of an enquiry under Section 5-*A*, it is found that the proceedings must be dropped, then activity *E* would amount to a waste. We may even start activity *E* after event (12), that is, after making sure that the proposals for Notification under Section 6 would certainly come through. It is only a matter of judgment of the Land Acquisition Officer. As you would see, the network will slightly change, and that is why it is mentioned that this network is not perfect in absolute terms.

A word about slack. From the network it is seen that activity *E* takes 4 weeks and it is also clear that event (5) may happen even just prior to event (15). This time difference of 14 weeks between the total time taken till event (15) is completed (*i.e.* 18 weeks) and 4 weeks of activity *E* is known as the slack. This slack is an indicator of allowable delay or extension of time and its knowledge helps to make the better use of limited resources. The Officer can devote less attention to areas of slack.

There are three dummy activities. As mentioned earlier the dummy activities consume no time. Although it may seen unrealistic that certain activities take no time whatsoever, it is true that this can happen and indeed must happen in many cases. We may ask "if, however, it takes no time, why include in the PERT network?" There is a good reason for its inclusion. Consider, for instance, event (12), that is, submission of proposals for Notification under Section 6. The two activities emanating from event 12 are *M* & *N*. *M* is the publishing of Section 6 Notification and *N* is the preparation of public and individual notices under Section 9. The Land Acquisition Officer generally submits the proposal for the publication of Section 6 Notification and waits for the publication. After this Notification is published, the Land Acquisition Officer issues notices both public and individual under Section 9 (1). But this time could be cut short by starting activity *N*, *i.e.*, preparing the notices immediately after event 12, so that the Land Acquisition Officer can issue these notices on the very day of publication of Notification under Section 6. To achieve this, events 13 and 14 are connected through dummy lines. The activity connecting events 13 and 14 does not consume any time. This activity is called a dummy activity.

If anyone asks : "Why this dummy activity should at all exist?", the answer is that activities *S* and *T* (*i.e.*, taking possession under S. 16 and payment of compensation respectively) can be simultaneously started. This is with a view to reducing delay. We also see that activity *U* (*i.e.* submitting proposals for alteration in the land revenue) can never commence, until activity *S* is completed. If the dummy activity (19)—(20) did not exist, it would appear as if activity *U* can be started as soon as activity *T* is completed, whereas, in fact, activity *U* will have to wait for completion not only of activity *T*, but also of activity *S*. In other words, dummy activity indicates an order of precedence and illustrates the dependence of one event upon another. This is the function of a dummy activity.

A dummy activity can, therefore, be defined as one that constrains an event from happening until another event has occurred. On the lines of this definition, dummy activity (19)—(20) constrains event (20) from happening until event (19) has occurred.

Let us again look at the dummy activity (5)—(15). It shows the dependence of event (15) on event (5). Similarly, dummy activity (13)—(14) shows that event (14) cannot occur until event (13) has occurred.

IV

Let us now go back to earlier discussion about the advantages of PERT and see whether these could be derived out of the network we have just now prepared.

Each event in the network has been numbered and the time taken for each activity is also given. It is possible to hand down the performance of any of the activity to a subordinate by the Collector. For example, the Collector can hand down and fix responsibility of collecting the sale statistics from Sub Registrars on a subordinate. The activities of issuing notices can be handed down to another person.

The other advantage, as we have said earlier is that the system lends itself to accurate evaluation. The horizontal axis represents the time. Let us take 12 weeks after the zero event and draw a vertical line at 12 weeks, and we can immediately find out the activities that should have been completed at the end of the 12th week. We can compare this with the actual performance to see whether we are moving according to schedule.

Another important advantage, as already mentioned, is the identification of slack areas. For example we have said that the collection of sale statistics would take about 4 weeks from the zero event. But even if the job is delayed beyond 4 weeks up to event (15), it will be noticed, that the programme will not suffer. The knowledge that this particular activity *E*, *i.e*, obtaining sale statistics, would tolerate some delay would enable the Collector to divert attention and resources.

V

The above discussion indicates how network techniques can be applied to land acquisition cases. Many a reader may feel that the underlined concepts are already being used in actual practice, of course, without knowing anything about PERT. Such a practice is based on strong and abundant common sense. PERT is only a echnique which attempts to locate, identify and correlate them in n analytical and rational manner.

A word of warning: PERT cannot be a panacea to all administra-ive problems. Instead, it only helps the administrators to compre-end more clearly what the problems are, what the solutions are and what are their respective merits. PERT is not a substitute for ompetence and experience, but a very useful tool in achieving he ends in the hands of the competent and experienced.

INSTITUTION BUILDING AND SOCIAL CHANGE: THE AHMEDABAD TEXTILE INDUSTRY'S RESEARCH ASSOCIATION

Kamla Chowdhry

THIS article is concerned with gaining insights into the process of institution building and of social change in developing countries. During the last two decades many new institutions, directed towards modern science and technology, have been built in developing countries with varying degrees of success. Case studies* concerning the process of building viable institutions will help increase the body of knowledge available to the policy makers and administrators concerned with establishing and building institutions.

In India, one of the great institution builders in the field of science and technology was the late Dr. H. J. Bhabha. He started the Tata Institute of Fundamental Research and was responsible for building the Atomic Energy Commission and the various institutes that were initiated, sponsored and 'spun-off' from the Atomic Energy Commission. The growth and development of the Atomic Energy Commission, the assumptions which influenced Bhabha's strategy of institution building, the organization structure and administrative practices he considered important for innovative tasks in developing countries have been described in an earlier article[1].

In the case of the Atomic Energy Commission, the early development had few interfaces with other segments of society, so that the Commission's work could be designed and built in a self-contained island. In the present study of the Ahmedabad Textile Industry's Research Association (ATIRA) we are studying a different type of situation in which scientific methods and technological innovation were sought to be applied to a traditional industry. If ATIRA was to fulfil its task it required acceptance and trust from the millowners, technicians, and labour. This study attempts to identify persons, events and

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* The Inter University Research Program in Institution Building at the University of Pittsburgh has sponsored some case studies.

1 Kamla Chowdhry and Vikram Sarabhai, "Organization for Developmental Tasks: Atomic Energy Commission of India", *The Indian Journal of Public Administration*, Vol. XIV, No. 1 (Jan.-March), 1968.

processes that contributed in a significant way to the development of trust between ATIRA and the important segments of the industry. It is hoped that observations from this study may further our understanding of institution building and of social change in a developing country.

Early History and Growth

In 1944, the Government of India set up an Industrial Research Planning Committee, under the chairmanship of Sir R. K. Shanmugham Chetty, with the objective of encouraging industrial research. This Committee visited Ahmedabad (an important textile centre in western India) to sound the textile millowners regarding the measures Government could take to promote research activities in the industry. The Ahmedabad Millowners' Association informed this Committee that they would undertake the organization of a co-operative research association provided that adequate assistance was forthcoming from the Government.

The Report of the Industrial Rese ·h Planning Committee published in 1945 strongly recommended to Government that one of the most effective ways of encouraging industrial research in India would be for the Government to amend the Income Tax Act, so that contributions from manufacturing organizations towards the capital and recurring expenditure of recognized research institutions could be debited to current expenditure. In 1947, the Indian Income Tax Act was so amended.

In December 1947, the Ahmedabad Textile Industry's Research Association (ATIRA) was registered. There were 71 textile units, members of the Ahmedabad Millowners' Association which became the founder members and together contributed a little more than Rupees 5 million towards the establishment of ATIRA. The Government of India made a contribution of Rupees 1.9 million, and promised to bear for the first 5 years half the recurring expenditure of the Association up to a maximum of Rupees 1.5 lakhs in any particular year.

While still at Cambridge University, Dr. Vikram Sarabhai[2] was requested by Shri Kasturbhai Lalbhai[3] to study the constitution and organization of some research institutions in the U.K. and Europe so as to provide a basis for the structure of the proposed textile

[2] Dr. Sarabhai is son of a leading millowner family in Ahmedabad.

[3] One of the leading, seniormost, and respected members among the millowner community in Ahmedabad.

esearch association at Ahmedabad. The Ahmedabad Millowners' ssociation subsequently appointed a sub-committee consisting of hri Kasturbhai Lalbhai, Shri Amritlal Hargovinddas and Dr. Vikram arabhai to work out the constitution of the proposed textile research ssociation. Sarabhai drafted for the sub-committee a Memoran-um of Association for ATIRA that was largely modelled on the ritish Research Association's constitution. The main features of the odel that were considered desirable were its co-operative structure, e co-option of scientists on the Council of Administration, and the ct that majority control did not rest with the millowners.

There were individuals within the millowners group who from the utset had the vision to widen the scope of ATIRA's activities. Shri mbalal Sarabhai (father of Vikram Sarabhai), a leading millowner Ahmedabad wrote to the Ahmedabad Millowners' Association that is group of mills (Calico and Jubilee) would be willing to be members the proposed research association, if the scope of work included not nly scientific and technological research, but also work relating to the uman factor and the introduction of social change. From the eginning, therefore, there were forces trying to emphasise the 'socio-chnical' approach to research and social change in the textile industry Ahmedabad.

roblem of Picking the Right Person

Kasturbhai Lalbhai was elected the first Chairman of the Council Administration in 1947 and he continued in this position till 1963. asturbhai Lalbhai with the concurrence of his Council asked Sarabhai act as the Director until a full time Director was found. Sarabhai orked as the Honorary and part-time Director till 1956, a period of ne years.

In June 1948, the first advertisement was issued inviting appli-tions for the post of a Secretary, Assistant Director (Physics), a ychologist, a Librarian, an Office Superintendent, and a Steno-typist. pplications for the scientists' posts were not found satisfactory. In rly 1949, posts of a Director, Deputy Director (Applied Physics), d a Psychologist were again advertised in Indian newspapers and reign journals. For all the senior research and administrative jobs, ly persons with 'a distinguished record of research' or many years experience were invited to apply. The response to the advertise-ents again did not yield any results.

Often in such situations the temptation is to recruit the best avail-le under the circumstances, the minimum becoming the ceiling.

Sarabhai, however, decided on another approach. He decided to recruit young scientists with training in research methodology and to ignore the requirements of experience. The assumption was that the application of the scientific method by fresh and trained minds would produce better results in the textile industry than the application of "previous experience" gained in industry. In 1949, the first four research workers appointed were, a mathematical statistician, a social psychologist, a high polymer chemist and a physical chemist. With the exception of the physical chemist the others had just obtained their Ph.Ds., had no experience and were below 28 years of age. Also, except for the physical chemist, the others had not joined in response to advertisements (applications received were again not satisfactory) but as a result of a series of fortuitious circumstances. Early experience seemed to indicate that traditionally preconceived job requirements and predetermined hiring procedures were unlikely to yield results when they were related to new institutions intended to perform new roles.

Since the research workers had neither knowledge nor experience of textiles, each was apprenticed for periods varying from six months to a year, to a textile mill with the object of learning about the technology and the problems of the textile industry. After the induction period, the Statistician started work on Quality Control, the Psychologist on studies of fatigue, workloads and working conditions, the Chemist on methods of sizing and bleaching and the Physical Chemist on studies of fibre damage and standardization of physical tests for yarn. By 1950, that is within a year, three out of the four research workers in this group had brought out their first publication.

Within three years of its working ATIRA began to play an important role in a number of issues vital to the industry and the nation. Thus, the 1951, annual report of the Director mentioned:

> "ATIRA assisted the Government of India's Working Party for the Cotton Textile Industry in a survey of the conditions in the industry in Ahmedabad. During the past three years, numerous questions of workloads and working conditions and wages have been referred to ATIRA by the Industrial Court and the recommendations have generally been accepted as standards for the industry. ATIRA personnel actively collaborated with the Indian Standards Institution and maintains scientific contacts with the various national laboratories."

On the occasion of the opening of the ATIRA building, in April 1954, by late Shri Jawaharlal Nehru, the then Prime Minister of India,

Sarabhai stated:

> "With the completion of the first five year period, ATIRA enters a new phase. The buildings have been completed and the major equipment, including the pilot mill machinery, has been put into operation. An organizational structure, designed for efficient conduct of research and providing effective services to industry, has been set up. A comprehensive programme of operational, applied and fundamental research has been drawn up, and consideration given to the requirements of facilities and of personnel to undertake the work. In view of the complexity of modern technology a group approach in research has been planned which involves the collaboration of specialists in diverse but inter-related fields. Through international organizations, such as the UNESCO and the ILO, and through Technical Assistance Programmes, such as administered by the U.S. Technical Co-operation Administration, ATIRA arranges exchanges of scientific personnel which enables it to keep itself in the forefront of scientific progress. ATIRA's scope of activities now extends to the whole country and provision has been made to serve adequately even those units which are situated at greater distance from the main laboratory. With increasing support from Industry and Government, ATIRA is now well on the way to play a significant part in the progress of India's largest industry."

In its first five years ATIRA had acquired experiences and built a reputation for providing specialised services and industrial research. It received research grants from both private and public agencies, and the research staff of ATIRA was increasingly called to serve on important committees of government and industry. ATIRA also played a significant role in organizing and conducting supervisory and management development programmes, an activity new in India at that time.

From all accounts the early atmosphere at ATIRA is said to have been characterized by experimentation, youthful exuberance, improvisation and innovation.

In 1956, after almost 8 years, Sarabhai handed over charge of ATIRA to Dr. Helmut Wakeham of Princeton University and to Dr. Subramanian who was appointed as Director-designate. Dr. Wakeham was the Director of the Textile Research Laboratory in Princeton and was invited for a period of two years, the first year as Director and the second year as Consultant to Dr. Subramanian who would by that time be acquainted with the textile industry and would be ready to assume the position of the Director.

Some idea of the growth of ATIRA in the first phase (1949-1956), the phase in which Sarabhai played an active role, and subsequent growth can be had from the following figures:[4]

	1949-50	*1956-57*	*1965-66*
Membership	71	94	114
Revenue budget (in lakhs)	Rs. 1.00	Rs. 10.00	Rs. 16.58
Scientific, Administrative and other staff	30	206	255
Publications	—	10	10
Consulting Reports	—	71	85
Research Projects in operation	10	17	17

The early growth and success of ATIRA is especially significant in the context of the scientific and managerial millieu of the Ahmedabad textile industry. Thus, at the time ATIRA was established, in the majority of the mills there were no Quality Control techniques, few laboratories for testing and control of yarn and chemicals, and no training programmes. The technical departments were staffed by 'technicians' who had either a Certificate or a Diploma in textiles, very few indeed had a graduate degree. The managerial positions were held generally by members of the entrepreneur family. There were some managers amongst the younger generation of millowners who had studied abroad but because they were young they were also low in the decision-making hierarchy. Thus, although the industry offered tremendous scope and challenge for improvement, it was also discouraging because a method and a language of scientific inquiry had to be established before communication and understanding between ATIRA and the textile industry could become possible.

The process of introducing the scientific method in a traditional industry was also the process of bridging the 'credibility gap' between the scientists and the practitioners. The next section discusses some significant persons and groups who played a crucial role in bridging this 'credibility gap', and in generally establishing conditions required for developmental and innovative tasks in the industry.

Significant Persons and Groups

There are several individuals who could be identified as playing a significant role in the growth of ATIRA. However, it was the

[4] Figures taken from published annual reports.

convergence of these individuals in interacting clusters, with the combination of their special abilities, experience, positions, and relationships with each other that was of crucial significance. In the Council there was a cluster consisting of Kasturbhai, Bhatnagar, Krishnan and Sarabhai; at the research level there was a cluster of physical and social scientists; in the textile industry there was a cluster of young managing agents who had family relationships with the millowner members of the Council on the one hand, and academic and professional relationships with the research workers on the other hand. The one common element, the bridge, between the three groups was Sarabhai. He was an elected member of the Council, a young scientist, and a younger generation managing agent. Margaret Mead[5] in discussing the conditions of cultural change among the people of Admiralty Islands in New Guinea mentions: "I argue that among the conditions which make it possible for a man of exceptional ability—that type of exceptional ability which we call genius—to make a contribution to cultural change is the special composition of the cluster of individuals with whom he interacts and through whom he interacts also with others".

In the growth of ATIRA, Sarabhai was a man of exceptional ability, who through the cluster of individuals with whom he interacted, was able to make a special contribution to 'cultural change' in the textile industry. Although Sarabhai had a rare combination of abilities, a prominent position in the social structure, and was a member of the scientific community, it was the unique combination of individuals in the different clusters with whom he interacted, which contributed in a significant way to the process of institution building, to his growth, and to social change.

Let us examine the three clusters that were identified as significant in the institution-building process of ATIRA, the composition of these clusters and the inter-connecting links they had with each other and with other relevant segments of the society.

The Policy Making Group and the First Cluster

According to the Memorandum of Association of ATIRA, the Council of Administration was to consist of seven members elected from industry, three co-opted members who were to be scientists and technologists, and three members who were to be nominated by the Government of India. The Director and the Secretary of ATIRA were to be ex-officio members.

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[5] Margaret Mead, *Continuities in Cultural Evolution*, Introduction, Yale University Press, 1965.

The first Council consisted of the following members:[6] *Elected Members* from the textile millowners of Ahmedabad

(1) Shri Kasturbhai Lalbhai,	Chairman
(2) Shri Sakarlal Balabhai,	
(3) Shri Ratilal Natalal,	
(4) Shri Amritlal Hargovinddas,	
(5) Shri Shantilal Mangaldas,	
(6) Shri Vadilal Lallubhai, and	
(7) Dr. Vikram A. Sarabhai.	

Co-opted Members

(8) Sir K. S. Krishnan	Director, National Physical Laboratory, New Delhi.
(9) Dr. K. G. Naik	Principal, L. D. Arts College, Ahmedabad.
(10) Dr. P. V. Sukhatme	Statistical Adviser, Indian Council of Agricultural Research, New Delhi.

Government Nominees

(11) Hon'ble Shri Gulzarilal Nanda	Minister for Labour, Government of Bombay.
(12) Sir S. S. Bhatnagar	Director, Council of Scientific and Industrial Research.
(13) Shri P. C. Bhattacharya	Joint Secretary, Ministry of Finance.

The first Chairman of the Council was Kasturbhai Lalbhai, a leading *millowner* of Ahmedabad. His name was proposed by Bhatnagar, a *scientist* nominee of the *government*. Even in this initial act, there was a ritualistic significance of a 'coming together' of the millowners, government, and scientific interests. The first Director was Sarabhai, an elected member and a scientist. Here again, there was a fusion of the different segments of the Council. The relationship of

[6] Annual Report of ATIRA, 1948-49.

Kasturbhai and Sarabhai was much more than that of a Chairman with a Director Kasturbhai and Sarabhai represented a combination of science and practice, the aspirations of the two generations, of leadership styles significant to their respective groups—a combination of age, skills and experience, which strengthened and enhanced the leadership of ATIRA.

There were other favourable features of the early membership of the Council. In each segment of the Council, that is, in the elected, government nominated, and co-opted group, there was a gifted scientist with considerable influence in the professional and government circles in which they worked. These scientist members, namely, Sarabhai, Bhatnagar and Krishnan, had known each other for many years, had participated in many professional meetings together, and had developed a mutual respect and a confidence in each other. Through their personal and professional bonds, they linked the three segments of the Council and bridged the 'cultural gaps' between industry, government and science. By 'cultural' I mean attitudes, ways of thinking, and sentiments specific to each group. With the active participation of this cluster and the support of other members, policies and practices evolved that were suitable to a scientific organization. This group of scientists although they represented government and industry were not entrusted with the traditional practices prevailing in either government or industry, for their major experience was as scientists and not as administrators.

There were other aspects that seemed to strengthen the 'links' between the members of the cluster. Each member of this cluster was involved in a major institution building activity, and were members on each other's Boards. Thus, Kasturbhai and Krishnan were on the Board of the Council of Scientific and Industrial Research, Sarabhai on its Scientific Committee, and Bhatnagar its Director-General. Bhatnagar and Krishnan were on the Board of Physical Research Laboratory of which Kasturbhai was the Chairman and Sarabhai the founder member. There were other inter-connecting links between members of this cluster. For instance, Kasturbhai, Bhatnagar, and Sarabhai were members of the National Research Development Committee, and Bhatnagar and Krishnan were on the Board of the Atomic Energy Commission with Bhabha. Essentially they were all involved in building scientific institutions in the country and expressed a commitment to each others innovative tasks.

The experience of working together, of sharing each others professional interests had over the years developed a great deal of mutual

respect and trust. As will be seen later, qualities of giving and receiving mutual respect and trust among the members of the cluster in the Council permeated to the different significant groups through interconnecting and overlapping membership. The continuity of this cluster in the Council—Kasturbhai was the Chairman for about 15 years, Sarabhai as an elected member and Director for 9 years, and Bhatnagar and Krishnan as members for 7 and 13 years respectively—established the basic style of discussions and decision-making. The early norms of autonomy and delegation, influenced the later stages of growth.

The policy making group at ATIRA, therefore, contained a core cluster which assured it of government and industry support through persons who understood the scientific point of view; it consisted of a core who shared common values and who had trust and confidence in each other. The continuity of the core helped establish traditions and norms that provided conditions of freedom and autonomy to the future Directors.

The Early Research Group and the Second Cluster

It was mentioned earlier that Sarabhai had membership in the millowner and in the scientific community. With the starting of ATIRA, a group of young research workers were recruited who shared with Sarabhai a scientific training, youthful exuberance, and lack of experience in textiles. The second cluster consisted of this first group of young research workers in ATIRA.

The early advertisements for research posts had asked for persons with a distinguished personal record of research. These advertisements appeared in scientific journals abroad and in Indian newspapers. Further, personal contacts were made with scientists in universities and research institutes for suitable recommendations. Applications received from advertisements were generally considered unsuitable, and the suitability of those recommended was also questioned—some in terms of their adaptation to Indian conditions, others in terms of their salaries and fringe benefits demanded. The Council attempted to get the services of a scientist from the U.S.A. with a distinguished scientific reputation and experience in polymer research. But this distinguished scientist was unwilling to come to Ahmedabad for a period of one to two years.

After a year's search abroad for scientists with experience, Sarabhai decided to go ahead and recruit young Indian scientists ignoring the

requirements of experience. In considering the applications receive and in revising the recruitment policy, Sarabhai's premise was that the scientific method had to be introduced, then scientists trained i research methodology were likely to produce more rapid progress tha technologists with experience in industry. He believed that techn logical or practical experience in textiles was not a sufficient conditic for the introduction of the scientific method.

As mentioned earlier, three out of the four research worke appointed were young scientists without experience, and of the san age group as Sarabhai. From the beginning there was an empha: of appointments on an all India basis.

An office of three rooms was hired as a base from which to wor At this stage there was neither a library nor a laboratory so that tl first year of the research group was largely spent in the mills trying understand textile technology and getting acquainted with people the mills and their problems. The lack of previous experience comp led the research workers to go into the field to 'learn' and to 'unde stand'. In the first year, therefore, the attitude of research worke was to 'receive' and of the environment to 'teach' and to 'give'. Sor idea of this early phase of learning and the kind of relationships th evolved can be seen from the following account of the social psychol gist's early experience in the textile industry:

> "In the Raipur Mills, the Spinning and Weaving Master a sometimes their Assistants would show and explain to me t process of converting cotton to cloth. In my rounds, I often sto ped and talked to the workers to understand their problems a feelings concerning work and working conditions. Before leavi the mill I would discuss my impressions with the Managi Agent who would listen with interest and amusement.
>
> "The first project I undertook, was measuring output in 15-mint intervals in the winding department to see production cur (and fatigue) over the shift. I persuaded the Managing Agent supply a free cup of tea to a 'control' group of winders to study t effect of rest-pauses and tea on productivity. The winders we told this was a temporary measure, and the experiment was und taken by everyone with great good humour. The winders wot share their cup of tea with their neighbour (in a saucer) and t experiment did not 'prove' anything. But in the process of t study, the workers and myself became friendly. I would disc little bits of news I collected from the workers with the Managi Agent. I found myself the recipient of tremendous goodw

Some of the winders invited me to their houses, the Assistants often asked me to share their afternoon meal and the Mill Agent took an especially kindly interest.

"The Labour Union Office was open in the evenings and I would spend many evenings listening to the kind of grievances the workers brought to the Union, and in exchanging general experiences with the Union officials. They told me personal accounts of Mahatma Gandhi's historic role in the first strike, their respect and admiration for the leadership provided by Anasuyaben Sarabhai and Shankerlal Banker[7]. I would tell them about the Western Electric experiments, the work of Likert concerning 'Satisfaction, Productivity, and Morale'. To them the scientific work I discussed was validation of intuitive judgments they had long held—and now they believed the scientific method could prove to the Millowners' Association the points of view they liked to advocate.

"There wasn't much to do in Ahmedabad in the evenings, and many lonely evenings were spent in the welcome warmth afforded by the Labour Union people."[8]

The other research workers had similar experiences both at mills that provided them with their initial training and with significant bodies like the Millowners' Association, the Technicians' Association, the Medical Association, etc.

During this early phase of ATIRA, the management, technicians and workers in the textile industry met the research workers in their role of learners. The textile industry was teaching them and in turn learnt to respect the integrity of both the persons and the scientific method they represented. Thus, working together with the mill people on the latter's home ground proved to be a blessing in disguise for it eliminated the initial hostility to the 'outsider' and to the 'expert'.

It is interesting that in general the mills selected for the early experimental work were also those where there were young Managing Agents, some of whom had gone to the same or similar Universities abroad as the research workers. It was through these young Managing Agents that the research workers were later able to introduce change. We shall discuss this link more fully later. At this stage it is sufficient to indicate that the choice of the mills and of projects by the research

[7] Anasuyaben Sarabhai, President of the Labour Union, and Shankerlal Banker, both early associates of Gandhiji, and the founders of the Labour Union movement in Ahmedabad.

[8] Unpublished notes.

workers was made in relation to the degree of familiarity and comfort in established relationships.

Sarabhai was a part-time Director and the day to day running of ATIRA was largely left to the group of four research workers. They discussed among themselves their mill experiences, their proposed work, budgets, personnel required, etc. The quality of relationships and the interaction that developed gave them the confidence to receive each others mutual support and helped them to 'grow up' together. In the early phases there was a climate of help and of communal association which produced an unusual degree of resourcefulness.

Sarabhai as well as the group of research workers were new to textile research. In the process of jointly exploring, learning and identifying relevant areas of inquiry, it was difficult to maintain a hierarchical system of authority. The fact that one of the interacting members was a social psychologist brought to bear on the many discussions held about the relationship of ATIRA with member mills a social and a human point of view. The interacting group developed a 'socio-technical' approach to problems, perhaps a greater sensitivity to situations which otherwise would have created misunderstandings and negative feelings in relation to the managers, technicians and workers they came across. The diverse disciplines provided not only a specialisation in their own areas of work but nourished an understanding of each others problems and concerns. Here again, because of the special composition of this research group it produced 'approaches' and 'points of view' which were more than the sum of their parts.

An idea of the socio-technical approach that emerged through discussions can be obtained from the following example. In the textile industry one of the significant skills of a Weaving Master was his ability to prepare the right size mixture of sizing yarn before it went to the loom for weaving. When the chemists of ATIRA suggested sizing mixtures according to a laboratory determined formula, there was considerable criticism from many Weaving Masters concerning ATIRA and the so-called scientific method. The more ATIRA tried to prove by lucid and irrefutable logic that weaving results would improve through the use of the suggested laboratory formula, the more difficult the acceptance of these new methods became. When the chemists discussed their frustration, confusion and anger concerning their mill experience with others on their return to office, it was pointed out that perhaps what the Weaving Masters were resisting was the simplicity and the openness of the formulæ. If the mystique about sizing

disappeared it would influence their market value and the security of their job. Through such discussions a greater understanding and a more sensitive approach to problems of change was generated among the research workers.

Sarabhai's role in relation to the research workers was to nourish their developing capacities, to permit them to move in directions that made sense to each, and helped them to find an appropriate 'socio-technical' role in relation to the industry.

Young Managing Agents and the Third Cluster

The third cluster that was considered significant in the growth of ATIRA was a loose group of young Managing Agents who had recently returned after higher education abroad to 'occupy' positions in their family business.

The management of the textile mills in Ahmedabad at that time was through the managing agency system. For our purposes the significant aspect of the system is that all top positions are occupied by family members. The heads of production and processing departments are technical people referred to in the industry as 'technicians'. The technicians remain in technical jobs and very rarely are given managerial responsibility. On the other hand, family members have only managerial positions and very rarely have direct responsibility for a technical department. Depending on the size of the extended family for whom jobs have to be provided there is generally a proliferation of managerial jobs. In such circumstances, the younger members of the family have a hard time finding a meaningful role for themselves. Between the territory of the technicians on the one hand, and the decision-making managerial territory reserved for senior family members on the other, the younger family members had to find a niche for themselves.

How did this younger generation of managing agents, especially those who had acquired some technical or managerial training find a more meaningful role for themselves? The early work of ATIRA had created new functions and new roles. The statistician's work pointed to the need of establishing Quality Control Departments, the chemist and the physicist's work to the need of Chemical and Physical Testing Laboratories, and the work of the Psychologist to personnel functions and supervisory training programmes. The younger Managing Agents took responsibility for these new functions and became the links between the senior family members and the ATIRA workers. This identifiable group of especially 4 to 6 young Managing Agents also had social and

informal relationship with Sarabhai, and with the ATIRA scientists, for some of these Managing Agents had studied in the same universities abroad at same time as research workers. Through formal and informal links they took an active part in the various meetings arranged to discuss ATIRA's work at the Millowners' Association, at ATIRA, at the Technicians' Association, etc. In the search for a new role ATIRA provided them with one of the means to cross traditional membership boundaries.

Technological advance requires doing new things, the adoption of new functions and methods, building new social relationships and creating new institutions. The younger Managing Agents were in the significant position of being able to merge the traditional aspects with the modernisation process. This group of interacting young managing agents, who were in the process of finding an identity for themselves, also played an important role in the building of ATIRA. The historical concomitance of the establishment of ATIRA and their return from abroad after acquiring some scientific and managerial training, produced circumstances whereby they could utilise their resources to create something new; a new role for themselves and a new tradition in the industry.

The work of ATIRA also opened up new channels of communication and opportunities for new links—there were meetings organized for a group of six to eight mills to discuss ATIRA projects. There were groups of ten Weaving Masters, Spinning Masters, Labour Officers, etc., invited to ATIRA for special discussions. There were new Associations formed like the Statistical Quality Control Association, Training within Industry Association, and so on. The tradition of secrecy that prevailed in the mills was broken down to some extent by these meetings. There was a much greater sharing of problems however reluctantly and inadequately shared. New routes were established for those who were ready and able to seek new identities.

The three clusters, therefore, because of their membership, background, location, were able to act as 'levers' in the process of change, were able to contribute to the growth of ATIRA, and in the process were able to find meaningful roles for themselves.

Undoubtedly, one of the most important links between these clusters was Sarabhai and his very special position and role in Ahmedabad. Through Kasturbhai Lalbhai and his own family's position he had the millowners' support; by virtue of his scientific background he shared a membership with the research workers; and because of his age

and upbringing he shared a membership with the young managing agents. There were family, social and work relationships which reinforced the flow of confidence and communication from one group to another.

Some Tentative Conclusions

In these fragments of the early history of ATIRA's growth, there seems a coming together of several factors that contributed to the institution building process of ATIRA. ATIRA started soon after Independence when science and technology were being emphasised as a precondition of national growth. There was an impetus given to the building of scientific and technological institutions in the country. This was a period when some very gifted scientists had opportunities to start institutions which while helping the country also unfolded their considerable abilities both as scientists and as organization builders. Around this time, there was Bhabha, the builder of the Atomic Energy Commission; Sir S.S. Bhatnagar of the Council of Scientific and Industrial Research and through it of the many national scientific laboratories; Sarabhai, who started the Physical Research Laboratory in Ahmedabad; and Sir Krishnan as the first Director of the National Physical Research Laboratory in Delhi. These scientists were on each others Boards and helped with their individual and collective experiences the growth of science and technology in India. ATIRA, therefore, started at a period when there was a connection between the national milieu and the aspirations at Ahmedabad.

It started with a Council that consisted of some of the most capable scientists and institution builders in the country. Besides the scientist-institution builders on the Council, there was Kasturbhai and some of his colleagues who had started the Education Society in Ahmedabad, which sponsored many educational institutions in Ahmedabed. There was thus a unique combination and deployment of highly specific capacities in the Council.

In a new emerging India there was a readiness on the part of the young adults to contribute and to commit themselves to a new meaningful future. The young scientists in ATIRA, and the younger generation of managing agents in Ahmedabad, were seeking new roles, new responsibilities, new styles of generational relationships that would contribute to their identity—the process of seeking new identities in a traditional setting was also the process of institution building and of social and technical change.

In the analysis of ATIRA, I have attempted to show that the process of institution building was not a matter of a single gifted individual, nor even of government and industry support, although all these were important. The most important factor in the building of this institution, of creating conditions for social change, lay in clusters of interacting individuals and of overlapping groups. These individuals as members of overlapping groups were the 'carriers' of change.

In the contest of ATIRA, there were three groups which were identified as having contributed significantly, each in its own way, to the growth and success of ATIRA. As indicated earlier, there was the group of four members in the Council of Administration, the group of four research workers, and a group of four to six younger managing agents. The location of these groups was also significant—one was at the policy level, another at the research and operating level, and the third in the client system. All these three groups had interacting and intersecting membership so that whatever decisions were made in any one group had relevance in other groups. It was, as mentioned by Erikson[9] in different context, a "systematic going around the circles, and wherever you began you had to begin twice over". Decisions made at the Council level had to find relevance at the research level keeping in mind the client system. Similarly, projects and mills selected for work had to have relevance with a meaningful client, who in turn had some relevance at the Council level. It is impossible to delineate the influence each group had on other groups. At this stage it is sufficient to say that the 'needs' and 'influence' of each group permeated other groups through common (and generational) membership.

Each group had a large measure of continuity and sameness of membership. It seemed as if the continuity of roles and relationships provided conditions wherein common points of view and certain norms of dealing with problems got stabilised.

The composition of each group had a mix which provided a cross fertilization of ideas useful to the process of institution building. In the Council there were skills and 'positions' related to the raising of funds in government and industry; there were unique experiences of institution building which were relevant; there was a mix of scientists and practitioners. The research group had a mix of physical and social scientists, whose ideas as a group were an asset to the building of meaningful relationships with industry. In the young Managing Agents

[9] E. H. Erikson, *Childhood and Society*, New York, W.W. Norton & Co. Inc., 1963, p. 45.

group, there was a combination of educational backgrounds—Business Administration, Engineering, Chemical Technology, etc.—that provided the mutuality of interests with the research group in the introduction of new functions and roles in industry.

The experience of ATIRA seems to indicate that for innovative tasks, it is important to identify young persons and to involve them in the institution building process. The young persons selected for innovative tasks must be given absolute trust that in turn will generate confidence so that new ideas, new visions can be tested and put into effect. Kasturbhai, the leader of the textile industry and of the Ahmedabad community gave that absolute trust to Sarabhai. Sarabhai in trun gave absolute trust and freedom to the research workers. In the early phases the research workers with Sarabhai handled the total activities of ATIRA —selection of projects, selection of mills for pilot work, selection of research staff; preparing budgets, organizing meetings, inviting visitors, publications and administrative work. Mistakes were made but these were handled without creating a sense of doubt and shame among the research workers.

The young persons who were actively associated with the institution building process seemed to be free from the traditional hierarchical and status arrangements. In the Council, Sarabhai was the only person who belonged to the younger generation. In an industry and community where age is important in the degree of responsibility given, Sarabhai enjoyed the privileges of the older generation. In the freedom given and exercised he was able to oppose members of the older generation, if necessary.

In some respects the ATIRA research workers also reversed the generational roles. They addressed meetings and often discussed problems with passion and vehemence with the older generation of millowners and technicians. Further, the social hierarchical patterns existing between millowners and non-millowners are also broken down to some extent. The research workers could not fit in any existing system of social hierarchy. They became members of both the millowners and the technicians group, and in fact, became the bridges, the overlapping members in the different social systems. Another bridge was built when the All India Textile Association[16] invited Sarabhai in 1955 to be their President. It was the first time in their history that a millowner was invited to become one of them, a person they could trust to voice their sentiments and beliefs. Innovative tasks seem to require a new interplay of generations, and a new restructuring of

[16] An all India Association of Textile Technologists.

hierarchical arrangements providing much greater freedom and mobility.

Finally, we need to ask the question as to whether conditions identified as significant in the success of ATIRA can be consciously planned by administrators and other involved in institution building? Can we bring together highly trained and competent individuals to create interacting clusters ? Can we create living intellectual networks of overlapping clusters in a community so that the members of such clusters are able to perform the necessary innovative tasks in institution building?

My own impression is that such interacting and overlapping clusters can be created. There are in India enough gifted, trained and competent young people who given the 'favourable' conditions and opportunities can perform the innovative tasks. There are examples in recent history, both in India and abroad which indicates that when constellations are formed of extraordinary and ordinary persons, extraordinary solutions to problems are found. More research is required to indicate the nature of constellations and the conditions of trust required for innovative tasks. At this stage it may be worthwhile to emphasise that in the building of clusters, wherein face to face interaction and cross fertilization of ideas are important, the central concern must be the total person rather than the discipline a person represents.

And it must be recognized that in developing countries new institutions will be built by the younger generation. The younger generation will need the support of elders like Kasturbhai (or J.R.D. Tata in the case of Bhabha) who have the sense of discrimination to select and the foresight and courage to endow absolute trust to a member of the younger generation. In a cultural setting where age and experience are related to positions of responsibility, it was indeed taking a chance to provide such opportunities and freedom to the younger generation of scientists, technicians, and managers. But the act of faith multiplied in various directions, fulfilled the potentialities of people, and produced an institution which became the precursor of other institutions in Ahmedabad.

THE FULTON REPORT — SOME COMMENTS

B. K. Dey

Constitution of the Fulton Committee and the Frame of Reference

The twelve-member Committee, chaired by Lord Fulton, was appointed on February 8, 1966 to "examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations". The decision to set up a committee was reached in view of the "changes both in the demands placed on the Civil Service and in the educational organization of the country" and having regard to the realization that the Service must be properly equipped to play its role in the vastly different stage of modern state. But it was made clear that the "government's willingness to consider changes in the Civil Service did not imply any intention on their part to alter the basic relationship between Minister and civil servants".[1] The Committee, after deliberations for slightly over two years submitted the Report on "The Civil Service" on June 26, 1968. On that very day while presenting the Fulton Report to the Parliament, Prime Minister Wilson announced his government's acceptance of three of its major, though organizational, recommendations.

The terms of reference included the Home Civil Service but not Diplomatic service. In line with the definition of the Home Civil Service adopted by the last two Royal Commissions[2], the Committee of its own excluded from the purview of its inquiry the staff of the Post Office. The focus, finally, was concentrated merely on the non-industrial staff of the Civil Service—which by itself constituted a limitation on the scope of the study. But a more severe curb came from the deliberate exclusion of "machinery of government"—which imposed many limits on the Committee's work. As the Committee itself points out: "The question about the number and size of the departments, and their relationship with other and the cabinet office, bear closely upon the work and organization of the civil service." Fulton and his colleagues ought not, however, to be blamed for failing to prescribe

[1] Mr. Harold Wilson's statement (dated February 8, 1966) in the House of Commons.

[2] Royal Commission on the Civil Service (1929-31) and Royal Commission on the Civil Service (1953-55).

for problems which their terms of reference precluded them from studying, but the Committee's admission that the machinery of government merely 'bears closely' on work and organization of the Service has been characterized as something of an 'under-statement'. As Mr. Bishop remarked, "put more frankly, it could be that the service organization cannot profitably be studied at all until the machinery has been reformed. Thus, we have a set of recommendations for improving the recruitment and operation of a work-force to man a creaking machine which has outgrown the tasks of yesterday, and which may, as many of us think, be largely irrelevant to the requirements of tomorrow's government."[3]

It will not be out of place here to mention that the Study Team of the Indian Administrative Reforms Commission on 'The Machinery of the Government of India and its Procedure of Work', considered that "the three major components of administrative system—structure, methods and personnel—are so inter-twined that we do see the need for going into a few aspects of personnel administration which we consider vitally important for the healthy functions of structures and methods, present or proposed".[4] If, in a review of the machinery of Government, personnel is an essential ingredient, no comprehensive and incisive study of personnel is possible without a simultaneous, counterpart study of the machinery.

It is pertinent here to point to certain background factors which might have influenced the tone and character of the Fulton Report. Since the early fifties, there has been an increasing disillusion with Britain's declining position on the world and many authors in their search for a scapegoat for her failings and fall, found it in the altogether 'ill-equipped and outworn' Civil Service. Professor Brian Chapman in his *British Government Observed* unleashed an unrestricted attack on the Service which he accused of harbouring 'sheltered spinsters' & 'unwise virgins'. Max Nicholson's *The System*, published in 1967, attacked not so much the people—the Civil Servants—as a series of principles, policies and practices handed down through a group of institutions, devised in the Victorian era, like Parliament, Civil Service, Oxbridge, etc. Then came in 1968 'Crisis in the Civil Service'. In one of its four essays, 'The Apotheosis of the Dilettante' Dr. (now Lord) Balogh passed fierce strictures on the Civil Service for its opposition

[3] F. A. Bishop: "Fulton: The Cart Before the Horse", *Spectator*, Vol. 220, No. 7305 June 28, 1968. Mr. Bishop retired from the Civil Service in 1965, having served as Principal Private Secretary to two Prime Ministers, as Deputy Secretary to the Cabinet and ultimately as a Permanent Secretary.

[4] Administrative Reforms Commission, *The Report of the Study Team on the Machinery of the Government of India and Its Procedures of Work*, Part II, February 1968.

and even obstruction, to progress, for its ignorant but arrogant mental attitudes and its inability to induct economist and specialist in their fold, etc. The Treasury was adjudged 'the villain in the piece'—which, together with the Civil Service, had "grown to menace the future of the country". The way out suggested was inflow, at senior levels, for expert opinion from outside. There are several other publications of the like kind, such as *Entitled to Know* by Peter Shore—the cumulative effect of all of which was the creation of too hot a climate for the bureaucracy, towards which there was already a long tradition of suspicion and latent hostility in some quarters. The fact that the Civil Service does not speak (and no minister also normally speaks for the Service in the House of Commons or on public platform) made it highly vulnerable in relation to the public and parliamentary opinion. The Fulton Committee laboured under, and, as its first chapter indicates, seems to have succumbed to this climate of opinion.[5]

The Diagnosis

The Fulton Committee's assignment was to reform a Civil Service which "still fundamentally the product of the nineteenth century philosophy of the Northcote-Trevelyan Report" was to tackle the "tasks of the second-half of the twentieth century". The role of the government, in the meanwhile, had undergone 'magical' metamorphosis not merely in the multiplication in size, and broadening in scope, of the traditional, passive and regulatory functions but in the positive assumption of massive, modern, developmental responsibilities, as a result of the abandonment of *laissez faire* principle, active state-engagement in the affairs of individual and society, and opening up of the new frontiers in technological progress and its impact on decision-making. The civil service had stood almost mute in the face of all these traumatic changes. After a painstaking investigation, the Committee diognoses six major ailments of the 'patient' service:

It is still amateur (or 'generalist' or 'all-rounder') oriented.

There is an overdose of class-and-caste system in the service, both horizontal and vertical.

Specialists, scientists, engineers, etc., are given neither the full responsibility and corresponding authority nor proper opportunities.

Too few civil servants are skilled managers.

There is not enough contact between the Service and the community.

[5] For the background, the author is grateful to the analysis of William A. Robson in "The Fulton Report on the Civil Service", *The Political Quarterly*, Volume 39, No. 4, pp. 397-414.

Personnel management in general, and career planning in particular, are hopelessly inadequate.

The Prescription

Fulton's prescription of panacea follows directly from this *coup d'oeil* of the civil service situation. Since, for these and other defects, the central management of the Service, the Treasury, had been charged with gross negligence and found a defaulter, a new Civil Service Department was recommended. This Department was to be placed under the control of the Prime Minister (but administered in its day-to-day responsibility by a non-departmental Minister of the cabinet rank) and in which "Pay and Management" group of the Treasury as also the Civil Service Commission would be merged. Following this recommendation, the Permanent Secretary of this Department has been designated Head of the Home Civil Service. The divisions between higher and lower classes are proposed to be abolished and a single, unified and continuous grading-system running across the whole Service from bottom to top is to be substituted in each 'occupational group'. This will involve a major programme of job-evaluation and will bring to an end "the system in which an individual can normally move between jobs now reserved for each occupational group only if he himself moves into a different class". The Service, according to Fulton, must develop greater professionalism among the specialists (*e.g.*, scientists, engineers, etc.) through more training in management and wider career opportunities, and among the administrators (*i.e.*, groups of "social", and "economic and financial" administrators,—the new counterparts of the present Administrative and Executive classes) through subject-matter specialization in specific areas of government. A Civil Service College is to be set up to provide major training courses in administration and management, and a wide range of shorter courses, and it will have important research functions. Though the Civil Service remains predominantly a career service, there would be under the new dispensation greater mobility between it and other outside employments. For necessary reinforcement, an expanded late-entry, temporary appointments for fixed periods, short-term interchange of staff and freer 'movement' out of the Service have been advocated. In addition to the Permanent Secretary who alone would continue to have the overall responsibility for all the affairs of the Department, there is to be, in most departments, a Senior Policy Adviser (heading the Planning Units for perspective thinking and prospective planning) to assist the minister who may also employ a number of personal experts.

The Report Hailed

The Fulton Report has been acclaimed as a "revolutionary document

with far-reaching consequences". 'Waiting for Fulton' had become almost a fulltime occupation for the last two years. Writing it must have been too. Its proposals amount to a programme for dragging, not perhaps the British industry, but atleast the British Civil Service, kicking and screaming into the 20th century[6]. It is said that the Fulton Report brought a new angle and a more forceful concept on the function of the civil service in modern government. The Confederation of British Industry welcomed the Fulton Report as a valuable contribution to the development of a competent, impartial and sympathetic civil service[7]. The Observer also commented that "the Report of the Fulton Committee is one of the most important documents to have appeared in recent years".[8] The Daily Telegraph had the following to say:

> "At last we have a report which promises to change for the better the British scene. Fulton will almost certainly become a landmark on the road to regenerated Britain"[9].

Prime Minister Wilson in his statement in the House of Commons on June 28, 1968 commended the "wide-ranging and fundamental review" produced by Lord Fulton and his committee, which was hailed as "an essential contribution to the modernisation of the basic institutions of the country. Mr. Wilson even thought that Fulton report "would stand comparison with the historic Northcote-Trevelyan report of more than a century ago". Fulton's recommendations, he continued, would in effect mean that "for everyone in the civil service—the school leaver, graduate, accountant, engineer, scientist, lawyer, for all of them—there would be an open road to the top which up to now had been in the main through the administrative class"[10]. Mr. Heath, the leader of the Opposition, also joined the Prime Minister in his tribute to Lord Fulton and his colleagues.

It would be worthwhile here to flash back some (but only *some*, as the limited compass of one article cannot be expected to do detailed justice to all the fineries of Fulton) of the recommendations which have won encomium from knowledgeable quarters. The Fulton Committee

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[6] Roger Opie. "Implement At Once", *New Statesman*, June 28, 1968.

[7] *The Daily Telegraph*, June 27, 1968.

[8] *The Observer*, June 30, 1968.

[9] *The Daily Telegraph*, June 27, 1968.

[10] Mr. Harold Wilson's speech in the House of Commons on June 26, 1968.

adopted the Northcote-Trevelyan 'dialectical'[11] method (as if to exorcise its predecessor) by denouncing an inadequacy in bureaucracy, namely, "amateurishness", or "the cult of generalism" or, in short, "non-professionalism" of the administrative class, and suggesting a radical cure by a good dose of professionalism, abolition of classes, a new civil service department and a civil service college. We discuss in this article mainly these four major recommendations.

Professionalism or Lack of It

The Committee with a view to driving home its point, portrays the picture of an administrator in the following few, almost visual and equally eloquent, sentences:

"(he) is still too often seen as the gifted laymen who, moving frequently from job to job within the Service, can take a practical view of any problem, irrespective of its subject-matter, in the light of his knowledge and experience of the government machine.... This concept has most damaging consequences. It cannot make for the efficient despatch of public business when key men rarely stay in one job longer than two or three years before being moved to some other post, often in a very different area of government activity. A similar cult of the generalist is found in that part of the Executive Class that works in support of the Administrative Class and also even in some of the specialist classes. The cult is obsolete at all levels and in all parts of the Service".[12]

To counter this laymanship in the civil servants, arising out of the age-old policy of rolling the stone before it could gather moss, the Committee uses its colour-brush to paint the following contrast-picture:

"Civil Servants today have to be equipped to tackle the political, scientific, social, economic and technical problems of our time. They have to be aware of interests and opinions throughout the country and of many developments abroad. They have to keep up with the rapid growth of new knowledge and acquire new techniques to apply it. In short, the Civil Service is no place for the amateur. It must be staffed by men and women who are truly professional."[13]

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[11] William A. Robson, *op. cit.*

[12] U. K., *The Central Service*, Report of the (Fulton) Committee, 1968.

[13] *Ibid*, "We use the word 'Professional' to include two main attributes which in our view are essential in varying combinations for work in the government service. One is being skilled in one's job—skill which comes from training and sustained experience. The other is having the fundamental knowledge of and deep familiarity with a subject that enable a man to move with ease among its concepts. Both spring from and reinforce a constant striving for higher standards."

An administrator must in future have or acquire the basic concepts and knowledge, whether social, economic, industrial or financial, relevant to his area of administration and appropriate to his level of responsibility. He must have a real understanding of, and familiarity with, the principles, techniques and trends of development in the subject-matter of the field in which he is operating. The Committee has identified two broad areas; one, economic and financial, and, two, social administration. The Service must ensure that its administrators acquire and develop the appropriate body of knowledge together with its associated conceptual framework and analytical tools. This means that an administrator, at least in his early years, should specialize in one or other of these main categories of work—the economic, industrial and financial or the social. In consequence, for basic training and career management, an administrator should be distinguished into these two broad groups. From these groups and from the specialists, like architects, lawyers, doctors, engineers, scientists, economists, etc., will also come men and women who specialise in the kinds of government work like O & M, personnel work and so on, for which many different kinds of experience can be appropriate. They have been designated 'professionals'. From all these professionals, administrators and specialists alike, will come the future top management of the Service.

The pattern of professionalism would, according to the Fulton formula, be based on training and specialization in early years of the civil servant's career, through carefully planned deployments, and the more purposive career management policy. The analysis of the Committee as presented above is quite logically put in the sense that the conclusion follows easily from the premises. But what is the precise definition of this professionalism—or its content? In its "obsessive belief in the virtues of professionalism" and in the assumption that professionalism alone can take us into the promised land, the Committee does not seem to have gone into all the operational implications of professtionalism as presented by it. Are university teachers, who receive no pedagogical training and are often unskilled in lecturing, professionals? What about successful businessmen or industrial leaders, who may have no degree in business administration or industrial management? To contend that concentration in any narrow field of activity is professionalism or to regard all specialists as professional (and generalists as amateur) is obviously a "misuse of words".[14] There is a science of administration—a corpus of knowledge of generalized kind concerning public administration, as taught in universities, institutes etc.— and the man who has gone through this drill and, also, mastered the art

[14] William A. Robson, *op. cit.*

of administration in the school of practical experience can validly be called a professional administrator. Fulton seems to synonymise professionalism in administration with technical aids to management like computer technology, operations research, costing, statistics, O & M etc; otherwise, how can the present administrators with 'relevant' studies like Economics or Social Sciences, and working in ministries having 'economic' or 'social' overtones, be dubbed as non-professional generalists or amateurs? Or is it, that 'professionalism in administration' is to be treated as coterminous with 'administration by professionals of whatever brand', when administration by itself can, and has to, be recognized as a distinct discipline and technology to be imbibed by training and cultivated by experience.

The point is this : Can a person be more professional outside his own occupation than a generalist, *i.e.*, can a doctor be a better personnel manager in an engineering department than a generalist can be with training in personnel management. Perhaps not. But nonetheless the school of professionalism may say that a doctor given training in personnel management can be a better personnel manager in the Health Department than a generalist. In that case, each 'occupational group' will be indigenous and self sufficient in all respects, substantive and staff functions (personnel, finance, O & M), and the concept of horizontal mobility or "open to all" formula cannot be feasible. Thus, there is an inherent antithesis between professionalism and 'open-to-all' concept of appointments, etc.

Despite these difficulties and operational hurdles, the fact remains that 'professionalism' or specialization, whether of 'substantive' type or 'staff' variety, is an equipment which an administrator, in any modern government, can ill-afford to go without, if he has to meet the challenges of change adequately. Fulton Report's main refrain is the inescapable necessity for acquiring this expertise, in substitution of the lay generalism which thrives merely on a wide variety of experience-exposure without specialisation in any particular branch of administration. 'Knowing less and less of more and more' is not the type of skill which can be put to any meaningful use in today's administrative system interwoven as it is with techno-socio-economic complexities. Fulton is entirely right in stressing the paramouncy of professionalism; as an approach and as a prescriptive measure, Fulton's advocacy can be heard echoed elsewhere also.

In its denunciation of non-professional 'generalists', Fulton finds a close ally in The Deshmukh Study Team on "The Machinery of the Government of India and its Procedures of Work" which also raised its

voice against the cult of generalism as follows:

> "The absence of specialisations in the secretariat springs from a defect basic to the system itself. This is its almost total reliance on the principle of generalism. Generalism is regarded as a virtue to promote in which there is a high degree of mobility; personnel are thus not usually allowed to stay very long in particular posts or sectors of administration. As for the new experts inducted into the Secretariat in the recent years, such as economists and scientists, they often remain unintegrated in the hierarchy and structure of the secretariat, because it is not easy to fit them in under the present concepts."[15]

The said Study Team, however, identified three kinds of specialisation necessary for the due discharge of functions at the headquarters of a modern government—one, substantive specialisation, meaning either expertise in the subject handled by specialist-experts or a degree of familiarity with the area of work acquired by the generalists who may be thought of as generalist-specialist; two, staff specialisations, like personnel administration, financial management, planning, O & M, economic analysis, etc., and three, specialisation in headquarters work, underscoring deep intimacy with the overall policy plans of the government, analytical faculty, coordinated problem solving approach, etc.[16] This substantial identity and astonishing coincidence both in the diagnosis of the disease and the prescription of remedy between the Fulton and the Deshmukh teams, functioning independently, one far away from the other, can perhaps be considered significant.

Opinion, however, is sharply divided even on this aspect. Lord Simey's famous reservation note is a strong denial of the charge of amateurism of the administrative class ("one great political invention of the 19th century England") which has served the purpose, even in the changed context of post-war England, very well indeed through gradual, though slow, acquisition of various shades of professionalism. Lord Simey considers that modern techniques such as linear programming, cost benefit analysis, and other methods of specialised analysis are clearly needed and should be used to the full in the civil service. They do not, however, supersede the importance of fundamental qualities of judgment which are vital to the successful prosecution of government business.[17] It has been held, for instance, that the Fulton

[15] Administrative Reforms Commission, *Report of the Study Team on the Machinery of the Government of India and its Procedures of Work* (Chairman : Shri C. D. Deshmukh), Part II, Vol. I, Chapter III, February 1968.

[16] *Ibid*, Chapter VI.

[17] Lord Simey, "Reservation to Chapter I", *The Fulton Committee Report*, pp. 101-103.

Report, in making an insistent advocacy for professionalism in place of amateurism, is 'close to being rude' to the generalists and its proposals for reform (although very worthwhile in parts) are themselves sometimes surprisingly unprofessional in their grasp of the art of organisation and man-management.

The Report is "wide open to criticism as an assault on the wholetime gifted amateurs of Whitehall by a part-time group of gifted amateurs gathered in that most 19th century of British Constitutional mechanism, an *ad hoc* investigation by a number of uncommitted gentlemen, meeting once a week for three years, on a royal commission or committee.[18] The Daily Telegraph editorially commented:[19] "this otherwise painstaking report makes a good deal too much play with the alleged cult of the amateur, 'generalist' or 'all-rounder' in the "Service". It has also been stressed that the Fulton Committee report is dramatic, sometimes over-dramatic, in its analysis of the Service's shortcomings, as in the certitude which characterises its own proposals. These do have risks attached to them. They could, as is already being argued, deter the most able graduates who are now attracted by the very elitism which the report seeks to diminish. The brilliant man may feel that he is too scornfully dismissed as a 'generalist'."[20]

In this connection it would be relevant to refer to the commentary on Fulton Report by Nirad C. Chaudhuri: "I would put in a word for the retention of generalism in the best sense, for it is badly needed in our country and we never had it at its highest level. In India, the professional and technologist tend to be too much of a mere technician, not strong even in the theory of his special field and so incapable of reaching the high level of efficiency in his own work. It must not be forgotten that technical progress is not a matter of technical skill alone, it needs very highly developed mental efficiency, which can come only from a very rigorous general education . . . This intellectual and moral quality cannot be developed by mere professional or technical education. This must not be sacrificed for mere technical ability."[21]

Preference for Relevance

To remedy the cult of generalism, the Fulton Committee offers a package of panacea. One which may straightway be mentioned over

[18] "The Good and Faithful Service", *The Economist*, June 29, 1968.

[19] *The Daily Telegraph*, June 27, 1968.

[20] *The Sunday Times*, Editorial Comments, June 30, 1968.

[21] Nirad C. Chaudhury, "Civil Service: British and India", *The Hindustan Times*, dated 7.7.1968.

here is the famous slogan "preference for relevance". It implies that the fundamental aim being to secure for the Service the best men and women for the job, with education, training and attitudes appropriate to it, the relevance to the civil servant's future work of the subject matter of their university or other pre-service study should be an important qualification for appointment, though men and women of outstanding ability who have studied "irrelevant" discipline may also be inducted, provided the shortfall in the "relevance" is made up by special training. This 'preference for relevance' formula has not however gone unchallenged. There was a division even among the committee members themselves, though minority only would not subscribe to this theory.* Evelyn Sharp in an article criticised this "preference for relevance" principle, stating that the "majority suggestion that the pre-employment studies should be necessarily 'relevant' surely takes too narrow view of what is relevant to the work of government. Nothing is more relevant than an understanding of history, of the growth and civilisation of the struggle to evolve forms of government, politics in the wider sense, nothing perhaps more necessary than to be a philosopher, nothing more is useful than to be able to think clearly and logically and to express those thoughts concisely."[22] In the same vein, the Observer also noted editorially: "The emphasis on recruiting men with specialist qualifications—economists and sociologists—seems to be wrongheaded. It may be that the emphasis was too much in the opposite direction. But there is no need for a complete about-turn. There is, after all, nothing more dangerous than someone who took an economics degree 30 years ago, has lost touch with the subject, but who still thinks of himself as an expert."[23]

Quite apart from these theoretical questions and objections, application of the principle of 'preference for relevance' may, in actual practice, lead to the complete banishment of 'outstanding persons' with non-specialised background from the Civil Service scene. When the written examination for the graduate entrants has to be confined to specialised subjects only (*vide* para 14 of Appendix E of the Report), how would the 'outstanding people' stand a chance in a written examination in subjects not studied by them in the university? Despite Fulton's fond hopes, they will be sacrificed at the altar of the 'irrelevant' disciplines and finally lost to the service. Though, in reality, except in the specialised sector of government activities where technical,

* The arguments of this minority have also been summarised in Chapter 3 of the report, pp. 29-32.

22 Evelyn Sharp: "Wide Open in Whitehall", *The Sunday Times*, June 30, 1968. Baroness Sharp, (as Dame Evelyn Sharp) was Permanent Secretary at the Ministry of Housing and Local government from 1955-1966.

23 *The Observer*, June 30, 1968.

university-education and specialized training may be a prerequisite to appointment, or where the special knowledge of technical subject can directly be correlated to the job, like economic analysis, planning, etc., there is a wide chunk of functional area in which civil servants normally find it difficult to apply their knowledge acquired at the university stage. More than a study of particular discipline, what is required for efficient functioning in most of the government jobs is a disciplined and creative mind, an analytical approach which can "see through the wall", and an adequate measure of foresight and farsight.

The Committee's thinking and insistence on professionalism was badly mauled in the excellent House of Lords debates on the Report on July 23, 1968. Lord Helsby recalled that he was a professional economist before entering the Service but realised that "administrators were professionals in a far more demanding way".[24] Lord Robbins remarked that if public service is to be described as amateur the epithet must be applied equally to business.[25] Lord Plowden pointed out that Fulton committee in emphasising management and professionalism, which they more or less equated with vocational training, has failed to state the administrator's role in the British system of government; it would be disastrous if administrators were to think of themselves as engineers, economists or sociologists.[26] And Lord Pilkington said that an administrator (who is different from a manager) required a combination of qualities that makes this a quite different profession from that of the management.[27] And, hence, there is nothing wrong, as Fulton considers, if administrator does not see himself always strictly as a manager or a specialist.

What is needed in the context of changed functions of modern government is a happy marriage between generalism and specialism, retaining the best of both these words while avoiding the abuses of extremism in either. The obsoleteness of the cult of puritanic generalism on its capacity to discharge the duties of a diverse variety of jobs without the need to acquire specialisation, in a society of growing economic and technological complexity, can hardly be overstated. Undoubtedly, the civil service, now in the business of managing a developmental change, needs to be equipped with new skills, (conceptual, technical and human relations) new tools, and a new orientation—in short, it has to embrace the new religion of "professionalism". The administration for change will be rendered nugatory without a more

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[24] *House of Lords Debates*, Vol. 295. No. 122, Col. 1068.

[25] *Ibid*, Col. 1134.

[26] *Ibid*, Cols. 1160-1164.

[27] *Ibid*, Col. 1153.

positive and more forceful concept of public service and without a civil servant who is more professional, adaptive and creative. This calls for a systematic programme for identifying talent in *all* the services—generalist, specialist or professional,—testing their aptitudes and providing them equal opportunities (a real democracy in bureaucracy!) to acquire necessary expertise through purposive training and a longer creative spell of service in functionally-determined areas of administration like personnel, financial, industrial, agriculture, etc., and to accumulate a gradually widening range of experience of *related* subjects (which W.A. Robson called "linked experience") in a single organization or in a group of related organizations. We can then have a civil servant, whether generalist or a specialist or professional by initial recruitment, who will turn out to be a real "professional"—one who will see more widely than a specialist in a single field but more deeply in the field of activity in which he is engaged than just a generalist administrator. This type of a broad 'specialist' or a 'professional' civil servant can be obtained by (*i*) giving administrative training to the promising members of the professional or technical services, or (*ii*) by imparting specialisation to generalist administrators. While the first is widely recognised, the second is hardly realised. The two vital questions, therefore, are, how do we make 'specialist' or 'professional' out of 'generalists' and, as put by Dr. Glenn Stahl, "how do we go about manufacturing 'generalists' from among 'specialists'?"[28] The answer is : by progressive training in managerial skills, by judicious job rotation in related fields; by a conscious and deliberate planning of careers. This, it should be acknowledged, is not much different from the Fulton's main programme, highly commendable by itself, despite some operational but not-at-all insurmountable difficulties. The fact, however, remains that modern administration, particularly at the higher policy levels, needs interpenetration of not one single 'type', but cross-fertilisation of diverse elements and experience, channelised and processed through specific specialisation; in short, both diversification and continuity of experience and expertise. Higher the degree of this blend, more efficient would the government functionally be in delivering the goods. Of crucial importance, therefore, is the mechanics of getting this mix.

The Fulton Committee would *inter alia* suggest two structural mechanisms for this—one, the creation of a separate civil service department for better personnel management, more systematic career planning, more rational deployment and incentive plans, etc., and, two,

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[28] *Personnel Administration — The Need for Change*, Report of the Conference on Personnel Administration held in March, 1968 at the Indian Institute of Public Administration, New Delhi, Chapter V.

the creation of a civil service college for imparting professional management training to administrators and specialists alike. We take up the second first.

CIVIL SERVICE COLLEGE

It has been recommended that a Civil Service College should be created to provide major training courses in administration and management for both administrators and specialists, besides (*a*) conducting a wide range of shorter courses in both general management and vocational subjects for all levels of staff but particularly for the more junior, and (*b*) undertaking research functions. The main formal training (duration: one year; locale: close to London) for graduate trainees of the administrative variety should consist of further training in the subject-matter of the various administrative groups; techniques of modern management; advanced and specialised training in the application of an individual's specialism to his field of activity; and machinery and practice of government and administration. There will be additional courses in management for those in their thirties and forties moving in the top management, and refresher courses in the latest management techniques. There should be, "for the graduate entry and for those who have shown the highest ability among non-graduate entrants", a "training grade" for creating a faster promotion-route for the most promising young men and women.

In the context of Britain's emphasis on gifted all-rounderism and learning while working, this scheme of formal institutional training has been regarded as the 'corner stone' of Fulton recommendations. Another striking feature of the college would be that the courses would not be restricted to civil servants; for many courses, a proportion of places should be set aside for men and women from private industrial and commercial firms, local and public corporations. Fulton scheme of training is fairly comprehensive, though the meticulous details and the selection of personnel for training have naturally to be worked out by the new Civil Service department under whose general direction the Civil Service College would function and also by the other 'user' departments. But some doubts persist. Fulton says that specialists need to be equipped, in addition to the normal skills in their specialism, for administration and management. Who among the specialists—all and sundry or only the promising ones—will be so trained? If all are to be trained in the broader management skills, will they still remain within the sacred circle of their 'specialism'? If only some, how, and at what levels, is the selection to be made? On what criterion? Will the college replace, or duplicate, the Centre for Administrative

Studies? How is Henley-on-Thames integrated in this scheme of training policy and programmes?

There is nothing very strikingly new in this mode of training. In India, the probationers of IAS, IPS and all other non-technical class I services, recruited through the combined competitive examination conducted by the Union Public Service Commission are imparted foundational training in fundamental subjects for four months at the National Academy of Administration, Mussoorie, on completion of which the IAS probationers continue there for another eight months to pursue their specialised training while others disperse for their professional training in their respective departmental training institutions. The Administrative Staff College in Hyderabad imparts more sophisticated, more professionalised training to senior executives drawn from governmental, public and private sectors. The two Institutes of Managements in Calcutta and Ahmedabad conduct Management Courses mainly for those already in management cadre or seeking management career. The Indian Institute of Public Administration and the Secretariat Training School in Delhi also run courses for different seniority brackets of civil servants in different professional and operational disciplines. In the context of such a large sweep of institutionalised form of formal training facilities available in India, Fulton proposals may not quite enthuse an Indian reader but in the British context, the creation of a Civil Service College has been recognised as a great leap forward and its acceptance has already been announced by the Prime Minister. To some this may appear to be too simple a solution for too intractable a problem.

Evelyn Sharp for one does not pin her faith in formal institutionalised training for civil servants:

> "I cannot help thinking that the committee has made too much of formal training and too little of training on the job. 'Work', a great Director of Establishment once said, 'is done by chaps working. And in responsible work lies the best training.' Some formal training, of course, is needed but I strongly doubt whether the proposed staff college is the way to provide it. If it is to do all that is suggested it will be enormous, mediocre, expensive and inbred."[29]

On the Civil Service college, the Economist also shares Sharp's views:

> "(The Civil Service Department) will have at his disposal a sort of mini-university or maxi-business school, devised especially to

[29] Evelyn Sharp, *op. cit.*

meet civil service needs for courses, short and long, introductory and advanced, of all types and in most specialities. One has doubt about this civil service college. It would become the most expensive conceivable way of providing the many forms of courses that are undoubtedly needed, and (despite the professed aim of drawing into it students from outside occupations) soon come to have all the unpleasant characteristics that one expects of a government body with nothing to govern. It must be prevented from becoming a ghetto. The report's prospectus for the college is very vague.'[30]

It must, however, be said that Fulton's emphasis on professionalism in the civil service leads one, almost irresistibly, to the need for professional training. Though 'job' has traditionally been treated as the best school for learning, it is, frankly speaking, inadequate, if not even deficient and crude, apart from being time-consuming, to cope with the challenge of changes in the modern government. But to be effective, the training areas must be correctly identified and matched with the trainees selected for purposive development. It should be understood that formal training alone cannot fructify the 'open-to-all' policy of recruitment, particularly at the top, as the promising material will need to be prospected and developed from quite an early stage and it is not possible to fabricate "instantaneous" administrators. Fulton is right when he says that the Civil Service College is not the last word in the civil servants' training programme. Departments would continue to run their own courses, with advice and guidance from the college.

Moreover, as the Report says, "more civil servants should attend courses at universities and business schools not only because of the intrinsic value of their curricula but also again to help ensure that civil servants are not isolated from their counterparts in other employments." But when entry itself is conditioned by the mastery of relevant studies/disciplines, training loses much of its pristine value and validity; it, then. becomes an exercise, a major exercise at that, in retraining! But the advocated liberal mix as respects the civil service and private sector trainees in the same course and bilateralism in respect of training agencies (as between official training centres and universities, etc.) are full of progressive potentialities and could open up a new vista for cooperative endeavour in garnering society's scarce talent, administrative, managerial or specialist.

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30 *The Economist*, *op. cit.*

THE NEW CIVIL SERVICE DEPARTMENT

The other monumental recommendation of the Committee meriting special cognizance is the creation of a new civil service department in which should be merged the 'Pay & Management' group of the Treasury and the Civil Service Commission. As William A. Robson has remarked: "This is a desirable reform which has often been proposed during the past 25 years. The case against leaving the Treasury in control rests on two grounds. One, the Treasury Ministers are, and always have been, so fully occupied with financial and economic matters that they are unable to give any time and thought to the Civil Service. The second ground is that the Treasury has been an overloaded department with more functions than it could cope with effectively. Its responsibility for central education and training was badly neglected."[31] On Civil Service Commission he says: "One of the curiosities of the administrative history is the failure of the Commission to expand beyond the functions originally given to it in 1855."[32] In the perspective of changed and enlarged role of the Services, this recommendation (already accepted by Government*) has far-reaching implications. The department is expected to play crucial role in those questions that affect the interests of the public service as a whole—in overall career planning, training, talent hunt for higher posts, executive development programmes, promotion (during the early years of the new system) to the Senior Policy and Management Group and so on. In short, the new department will take over both the management functions now exercised (though unsatisfactorily) by the Treasury and the recruiting functions handled by the independent Civil Service Commission.

Many in this country might raise their eye-brows, reading the recommendation regarding the merger of the Civil Service Commission with an executive department of the government. Such a thought is shocking to any Indian. Our non-political and non-patronage system of recruitment has been the corner-stone of a healthy democracy and permanent civil service in this country. In the present stage of political and social development, poverty and unemployment and in an environment ridden by caste and groupism, the mere fact of the Union Public Service Commission being an independent constitutional agency for superior recruitment provides, by itself, a guarantee (howsoever vulnerable) against patronage. There is a great need in India for keeping the recruitment agency politically aseptic and sterilised. The ecology

[31] William A. Robson, *op. cit.*

[32] *Ibid.*

*Sir William Armstrong has been appointed Permanent Secretary of the Civil Service Department and designated as Head of the Civil Service.

of India, appears to be most uninviting at present so far as the abolition of the UPSC or its merger with a government department is concerned. The experience of the last twenty years would not support any presumption to the contrary. On the other hand, keeping in view the British tradition of making appointments solely on merit, which "is now well enough established to survive, without keeping the Civil Service Commission as a separate organisation", the Fulton Commission recommended its merger with the Civil Service Department. According to the Committee, independence of any form of patronage in selection can be assured by designating an individual senior officer in the Civil Service Department as the First Civil Service Commissioner, (not subjected to ministerial or parliamentary questioning over individual appointments) who should be given the formal responsibility for final decisions on selection of recruits.

In India, the problems, as stated earlier, are different, which make the Fulton's prescription of departmentalising recruitment somewhat irrelevant. (There is, on the contrary, a growing demand in this country now to create *independent* and impartial agencies like the Lok Pal and the Lok Ayuktas or tribunals, boards, etc., to check or forestall favouritism and arbitrariness of the executive.) It must, however, be put on record that the Union Public Service Commission is also being composed more functionally, apart from its securing closer association of departmental expertise in the selection processes. When, however, the sociological factors in India are more propitious, it may be possible to move towards Fulton's norm. In fact, one would imagine that once the 'patronage-front' is adequately safeguarded against, recruitment which is primarily an executive responsibility can be clubbed with the other personnel functions like better deployment policies, more effective executive development programmes, overseeing performance of recruits in their jobs, more rational career planning, etc. That there is a felt need for attending to all these important personnel functions from a high central point and in an expertly staffed separate agency requires no detailed elaboration. The agency can be a central personnel agency within the government though it can leave the mechanical process of recruitment to an independent agency like the U.P.S.C. without any damage to the former's substantive functions.

Both the Administrative Reforms Commission and its Study Team on The Machinery of the Government of India and its Procedures of Work have suggested the creation of a separate central personnel agency —a new Department of Personnel—to take over the dynamic and progressive leadership on personnel matters. "A hide-bound, routine-ridden outlook and a sanctimonious adherence to precedents which

dominate the present administration"[33] is completely out of tune with the requirements of the new situation. Earlier, in 1966, the Estimates Committee of Parliament also felt that "the ever expanding economic role of the Government in a welfare state with its natural concomitant of a large civil service, calls for effective personnel control through a single agency". The Study Team also pointed out that "the fashioning of an effective central personnel agency and the allocation to it of all functions of an overall character in the field of personnel administration is one of the most important reforms required in the Machinery of Government". It has been recommended by the Commission that a new Department of Personnel, oriented towards research should be created with 4 wings, namely, (*i*) a policy wing to deal with the formulation of overall policy, (*ii*) a career system wing concerned with key appointments, prospecting for talent and management of IAS and centralised aspects of central secretariat service, etc., (*iii*) a developmental wing for planning and personnel programmes, organising, promoting and coordinating, training and executive developmental programmes, undertaking and promoting research in personnel administration, evolving a system of job grading and classification to facilitate the specialisation, etc., (*iv*) an inspection and house-keeping wing to oversee the implementation of personnel policies and regulations. This Department should be research-oriented and staffed by appropriate specialists. The Secretary of this Department should be an officer with great ideas and a flair for realistic innovation.

It will, thus, be observed that both the Study Team and the Commission have come to conclusion identical to that of the Fulton Committee in the matter of having a new and separate Department of Personnel. The Study Team's recommendation for withdrawing the service rules from the Ministry of Finance which now operates them and handing them over to the Department of Personnel (but not accepted by the Commission) falls in step with Fulton's formula of merging "Pay and Management Group" of the Treasury to the new Civil Service Department, whereas the Commission's recommendation for placing the Indian department under the Prime Minister (but not suggested by the Study Team) agrees with Fulton's. Even regarding the charter of functions of the new Department, there is substantial agreement between Fulton and his Indian counterpart.

This is definitely a positive step in the right direction. But certain difficulties would seem to flow from the Report's other recommendations particularly regarding recruitment. While the Economist remains

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[33] Administrative Reforms Commission, *Report of the Study Team on Machinery of Government of India and its Procedures of Work*, Part II, New Delhi, February 1968, para. 168.

"worried whether a department wholly involved in the bureaucratic control of a bureaucracy can be trusted to keep its grasp on any sort of reality".[34] Our doubts are on different grounds. Graduate entry for administrators by Method I as also non-graduate (A level) entry would be effected centrally by the Civil Service Department, whereas both the graduate and non-graduate specialists would be recruited departmentally. Apart from the fact that the criterion for departmental and central recruitment for various categories has not been amplified, how will the departmental and professional bias, disparity in the standards of recruitment and inter-departmental jealousies and rivalries, be avoided when the responsibility is scattered to various departments?

From a practical angle, one point needs to be considered. Fulton Committee envisages a vast role for the new department—but is it not far larger than it is likely to be able to fill? William A. Robson considers that the imposing duty-charter of the new department "is a quite impossible programme. It assumes a detailed knowledge of the activities and problems of every department and occupational group which not only does not exist but cannot exist outside the departments themselves. It aims at a degree of central control which makes the departments mere agents with little responsibility beyond carrying out policies laid down by the Civil Service Department. There is, however, no possibility of the new department living up to this specification."[35] No proper delineation of functional differentiation between the Civil Service Department and other departments seems to have been made. Will the departmental autonomy in the matter of recruitment and promotion (Though within the general frame of Civil Service Department's overall policy-guides) go well with the fundamental concept of an open-road-to-the-top or an open-door policy for members of all occupational groups? Does it not severely limit the operation of this socialism of opportunities only to the 'senior policy and management' posts where the Civil Service Department has the effective say? Even in this group of posts, there seems to be some inconsistency inasmuch as the post of Under Secretary which has been included in senior and policy management group has been left, for the purpose of promotion, at the mercy of the Departmental Promotion Board whereas, strictly speaking, this post, being already in the top layer, should have logically been the pigeon of the Civil Service Department for promotion purposes. One can derive no comfort from the Committee's idea of a department "in a position to fight, and to be seen to be fighting the Treasury on behalf of the civil service". It is

34 *The Economist, op. cit.*

35 William A. Robson, *op. cit.*

inevitable that the Chancellor of the Exchequer will have an important, and probably decisive voice in approving so large an item in the expenditure of all departments as the salaries of civil servants, though Fulton report recommends that the staff-costs of particular service should be finally settled by the Civil Service Department which will also be responsible for applying the government's income policy to the public services. It will be interesting to see this battle royal, if it is waged at all in reality.

UNIFIED GRADING STRUCTURE

One of the peak recommendations of the Fulton Committee is what has been headlined by *The Times* as a "Classless Civil Service". Each civil servant is at present recruited to a particular class (there are now 47 general classes distributed across the Service and over 1400 departmental classes). His membership of his class determines his prospects and there is very little subsequent movement between classes. Such a rigid and prolific compartmentalism in the Service leads to cumbersome organisational forms, seriously hampers the Service in adapting itself to new tasks, prevents the best use of individual talent, contributes to the inequality of promotion prospects, causes frustration and resentment, and impedes the entry into wider management of those well fitted for it. The word 'class' and the structure it represents produces a feeling of inferiority as well as restricted opportunities—it stands in the way of most efficient methods of matching men to jobs and is a major obstacle to the proper application of the principles of 'accountable management'. To break down the barriers as between classes, to increase mobility, to eliminate hierarchy based on class categories and to abolish the obstacles to the fullest use of administrative ability wherever it exists, Fulton has recommended a continuous grading system from bottom to top in each occupational group, abolishing all the division between higher and lower classes. This will have the effect of replacing the present multitude of classes and their separate career structures by the creation of a classless, uniformly graded structure, which is now adopted in many large business firms and which has already been the pattern in the civil service of the U.S. Government.

As a socialistic and egalitarian principle, this recommendation marks a high point of a new programme but when translated into practice, this would seem to lose much of its original shine. It is important to realise that what is called a classless, uniformly graded structure is nothing more than a pay structure. Permanent Secretaries will still be found at the top and the clerical assistant somewhere near the bottom; lawyers will continue to do the legal jobs

and doctors those requiring medical knowledge.[36] The various occupational groups, based on specific functional expertise, will still dominate the civil service scene but the only difference seems to be that the intra-group hierarchy, based on class rigidities, will, in the new dispensation, disappear and there will be, at the best, classless occupational groups.[37] Invitation to the summit of the service, on the basis of demonstrated merit and ability supplemented by specific training, is not only to be thrown open to members of the various occupational groups but positively encouraged. Management should appoint to each post—and 'no post should be the preserve of any group'—the person it considers best fitted by his qualification and experience to fill it. The Fulton Report rightly records: "as the civil servant approaches these (senior Policy and Management Group) levels, his responsibilities become steadily heavier and usually less specialist. He begins to share in a real collegiate responsibility to the Minister for the policy and management of the department as well; increasingly, too, he has to take inter-departmental consideration into account. At these levels individual's particular occupational group is thus often of less significance than his range of experience, and personal qualities and qualifications should be the main criteria for filling posts with these wider horizons."

The abolition of classes and its substitution by grades is expected to open up the top management posts to anybody in the civil service. It is right to take away any prospect of cushioned ease guaranteed by a single examination in one's youth. But the report does not make very clear its detailed mechanism for picking out the high flyers from the 4,71,000 people in the new classless civil service. "This model of a more fluid structure", comments *The Times*,[38] "in which all pegs are in holes of the right shape and every clerk carries a Permanent Secretary's K.B.E. in his brief case is appealing. It is also meritocratic. But would it really work like that? There are 4,71,000 people in the non-industrial Civil Service scattered over innumerable offices. Is it really possible for 'personnel management' in these circumstances to improve job-satisfaction and fit people to posts better, in the absence of the preliminary guidance and conventional expectations that the

[36] William A. Robson, *op. cit.*

[37] It is relevant to record here that the Second Pay Commission of India also recommended in 1959 the abolition of classification of services and posts into classes I, II, III & IV, on the ground that "it serves no practical purpose which cannot be served without it and it has an unhealthy psychological effect" which stands in the way of "developing among civil servants a feeling that they all belong to a common public service". It even suggested discarding the use, in official correspondence, orders, etc., of service-label after the name of officers belonging to the All India and other Class I Services. For an excellent discussion on classless Civil Service in India, please see Chapter LII of the Report of the Commission on Emoluments and Conditions of Service of Central Government Employees (1957-59).

[38] *The Times*, June 27, 1968.

present classification of staff provides? Can it be sure of picking its winner and giving them early on the right mixture of responsibilities and experience (which is an important pre-occupation of all large organizations) when the field is so vast, heterogenous and scattered?" These questions would need clearcut answer, otherwise a desirable reform measure may be found to founder on the rock of non-feasibility.

When the viewing lens is brought closer on the Report's treatment of the unified grading structure vis-a-vis the various occupational groups, certain administrative difficulties and gaps appear. After sternly rejecting the horizontal (between higher and lower in the same broad area of work—*i.e.*, administrative *versus* executive) and vertical (between different skills, professions or disciplines, *i.e.*, scientific or technical *versus* administrative) classifications, the Committee stresses the need for distinct 'occupational groups', at least at the lower and middle levels—"at least during the earlier areas of their career, more civil servants should work in the field of their specialism... it is likely that occupational groups will tend to develop their own career patterns". The interests of each such occupational group are to be looked after either by a senior practitioner of the specialism in question, to be designated head of the profession or group, who would share with the Civil Service Department the responsibility for guiding the main lines of its management policy, or by a 'Management Committee' in which senior practitioners of the particular specialism and representatives of Civil Servants Department would sit together. This emphasis on the occupational group and its management on the basis of its professional specialism, is likely to perpetuate, in a live administrative situation, the same compartmentalism which it is the intention of the unified grading structure to combat. Moreover, if the occupational groups coincide, by and large, with particular Ministries/Departments as they are likely to do, or, in any case, likely to be identified—for instance, doctors in the Ministry of Health or engineers in the Department of Works and Housing and so on—, the normal career prospects of members of such occupational groups will also predominantly lie in the department and, hence, Fulton's hope of inter-departmental movement may not materialise in any pronounced manner in practice.

Nor can the 'promotion' be facilitated in the cases of those who lie not only outside the department but also outside the occupational group itself, as identifying such persons will not be an easy job unless the entire recruitment itself is handled from a central point. Difficulty also arises when we try to reconcile departmental autonomy (reinforced by occupational loyalties and functional compulsions) in the matter of recruitment, with the ideal of a classless civil service in which no

post is the preserve of any group and people earn the right to climb the summit by the sheer test of merit. Too much of inbreeding, primarily in one area of specialism is not likely to help a civil servant to acclimatize in the rarefied atmosphere of the top. It has been stressed that, to attract bright young recruits into the fold of civil service, career prospects should be clearly indicated and secured, though no guarantee is possible. How is this going to work if there is a 'considerably larger number of the late-entrants' from the open market and if promotion to every post has to be made wide open to all with keener competition than before? Where, then, is the career prospect except in one's own narrow occupational pyramid and, that too only at lower/middle levels? This would seem to make civil service career, except for few, overwhelmingly occupation-centred and would not mark any significant departure from the existing service-centred pattern.

In fact, throwing open all posts to all who may be qualified, irrespective of occupational specialism or to whatever grade they may belong, may be good as a socialistic or egalitarian sophistry but it bristles with administrative difficulties when it has to be given some operational shape. It is no doubt true that the scientists, engineers and other specialist staff cannot now contribute their mite to the making of top-policy, or higher management, etc., though they do concern themselves, in a limited way, with the policy-making and administration of their own occupation.[39] But, generally speaking, it is the generalists who are on the top and the specialists on tap, in the higher administrative positions. It is certainly not effective always to have one's experts hidden in the back room, available only for answering questions from generalist civil servants. The opposite school may, however, hold that to tear the specialists off from their own discipline and throw them up to orbit in the outer space of policy and management in fields not connected with their discipline is a kind of professional waste which can be easily avoided by imparting the present set of administrators special training in aspects where deficiencies are now detected. The Report does not indicate how a specialist who has spent the best part of his career in a vocational and technical field not related to social and economic administration can be equipped to replace, say, today's Permanent Secretary by merely attending a few short-term courses in the Civil Service College. Can the head of a specialist profession, say, the Chief Engineer, be appointed, —as the logic of the Fulton Report would seem to suggest—as Permanent Secretary in a Ministry which is outside the specialised field, say, Ministry of Health? Can it, operationally, be a successful experiment?

[39] There is no gainsaying the fact that the top level advice has, in the ultimate analysis, to be predominantly social, economic and financial, in its overtones. "Advice is essentially a political process involving basic value judgements" (Thomas Balogh).

Whereas a general, economic and social administrator will have post-entry training and experience in these fields as well as management, the specialist will have training and (perhaps) experience in management but no practical experience in social and economic and 'human' administration. Further, even the limited advantage of a specialist-cum-administrator will be lost if he is posted in an administrative assignment in a ministry not related to his specialised occupation as visualised by the concept of horizontal mobility at senior policy levels.

The unified structure will nonetheless have two great advantages; one is that it will remove the overtones of superiority and inferiority which the present classification presupposes and which is psychologically harmful. The other is that it avoids (and Mr. Wilson also emphasised this point in Parliament) the need which now exists requiring promotion to the administrative class as a necessary qualification for officials in the general, departmental, or specialists classes before they become eligible for the highest posts in the Service. Scrapping the distinction between the administrative and executive classes should help recruitment from amongst the graduates at the present level of executive entry—something that badly needs doing. Opening the frontiers between those classes and the professional classes should give members of the latter a slightly better prospect of a place in the sun of administration something they now feel cheated of. (Lord Redcliffe Maud considers[40] that "it would mean much better prospects for all but the administrators".) But the further consequence which is not to have any longer a specially recruited *corpse d' elite*, could worsen the Civil Service chances of getting its share of the best of each generation of graduates. Lord Redcliffe Maud also poses these very questions in this connection: "Would it also mean that fewer really first-rate men and women seek to make the government Service their career? If so, will Whitehall get leadership of the quality it cannot do without?"[41] On the need to have a leadership-group of elites in the Service, E.N. Gladden says: "Certainly it is not a bad thing for a profession to have an elite but it should be an elite of skill and experience and not an elite deriving its distinction from class and educational accident."[42]

In India, too, this question of a unified service has often been advocated, quite eloquently in some quarters with louder protests from others. Asok Chanda was perhaps the first to advocate a unified

[40] Lord Redcliffe Maud: "Fulton's Patchy Package", *The Daily Telegraph*, June 27, 1968.

[41] *Ibid.*

[42] E. N. Gladden, "What I would like from Fulton", *Civil Service Opinion*, December 1967, pp. 358-359.

Civil Service in India, when he said[43] "the question of forming a single service should now be fully explored; the mere integration of the central, non-technical services alone will be only a partial solution; the Indian Administrative Services should also be brought within the sphere of this integration". Banerji[44] however, argued for a separate 'elitist status for IAS, but is prepared to concede some degree of unification in other services, wlth the door to the IAS being made a little more open, and ends up with an admirable advocacy for 'equal pay for equal work' irrespective of the service-label.

We need, however, an integrated approach to the problem. There is a multiplicity of services. Recruitment to Class I is made from the same base-material (*i.e.*, university graduates) and through the same source (*i.e.*, competitive examination) but with widely divergent conditions of service, pay and promotion prospects. Status, privilege, prestige and all that elitism stands for are in practice mostly reserved for some service. There is rigidity in the matter of mobility between services, and classes within service. All this results in all the organizational and service vices enumerated rightly in the Fulton Report. There is therefore a case in India, too, for a 'unified grading structure'. But better still would be to have a unified 'Civil Service of India' under whose umbrella, there would be, at the early stages of service-career: (1) functional distribution of recruits to cater to the various professional/occupational sectors of administration but with exactly the same conditions of service; and (2) rigorous screening at each sectoral layer for filtering the cream for top management. Under this arrangement, any function in any area should be treated as equally important as in the other,—district administration alone need not, as hithertofore, get the pride of place, claiming precedence out of all proportions over all other fields of administration like, Audit, Income Tax, Railway or Secretariat. Details of such a unification scheme can, of course, be worked out, once the principle underlying this concept is accepted. But there is the great impelling need in India, as in England, to move, for reasons quoted in the Fulton Report, and discussed in many forums in India, towards this goal.

SENIOR POLICY ADVISER

The Fulton Committee's another startling recommendation is that, in most departments, if not all, there should be a Senior Policy Adviser

[43] Asok Chanda, *The Indian Administration*, 1958, Chapter III, Section II.

[44] S. Banerji, "A Unified Civil Service", *The Indian Journal of Public Administration*

to assist the Minister. As the head of the Policy Planning Unit, he is the Minister's main adviser on the long-term policy questions and on their implications for the day-to-day policy decisions that have to be taken. He must have "direct and unrestricted access to his Minister, both personally and in writing. He should also be free to determine, after consultation with the Permanent Secretary but subject only to the approval of the Minister, what problems his planning unit should tackle. While the adviser should have the chief responsibility for planning the long-term departmental policy, he should not have the responsibility for the day-to-day operations of the department; these should remain under the direct control of the Permanent Secretary." The Committee also visualizes another top post, for big technical departments, in the person of a Chief Scientist or Chief Engineer with a view to properly organizing the Minister's "top-level advice", though they should not constitute any formal collegiate advisory board. (The minister will also have the right to appoint, in addition to all these, a small number of experts as his personal adviser.)

While the accent of the Committee on the youth[46] and experience (government and outside) of the Senior Policy Adviser and the importance it attaches to the need for a fully professional research in forward-planning and thinking (awfully neglected so far but badly needed now) is unexceptional, and needs indeed to be whole-heartedly welcomed, the way this "top-level advice" is to be organized lacks perhaps the essential touch of pragmatism. If the Permanent Secretary is to be deprived of the responsibility for long-term policy planning, and the research needed for it, his position in the department will be grossly devalued, if not positively undermined. If advising on policy, long or short-term, is not to come within the province of the head of the department, he will be denuded of the most important function of the administrator.

In fact, the Fulton proposal errs in two ways: First, by eliminating the Permanent Secretary from the vital life-link of forward thinking and planning for the department and authorizing the Senior Policy Adviser to move direct to Minister (does it not create avoidable multiple channels or hydra-headed authority-centres in a department?). Secondly, by taking the Senior Policy Adviser away from the pipe-line of operational responsibilities of the department (what, after all, would be content and shape of policy-advice which is devoid of realities of

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[46] The average age of the French *directeur du cabinet* is 46 and of Swedish Under Secretaries 45, as against British Permanent Secretary's 56. In the successful Civil Services of France and Japan, the more capable, more numerate 'dynamos' reach the top at younger age; they also leave the Service often for the boardrooms of private industry at a younger age. The French call this "putting on slippers".

departmental functions and based merely on theoretical expertise?). The recommended status for Senior Policy Adviser is "not below Deputy Secretary" but is he a man in the hierarchy? Is he a specialist, 'professional' or administrator (of 'economic' or 'social' group)? How is he integrated in it vis-a-vis Permanent Secretary and other layers of subject-matter wings? With so many top-level advisers to the minister, both formal and personal, is it not going to be a merry-go-round of advice without responsibility—a triangular, or quadrangular tangle in which quick decision-making would be the first victim? No wonder, William A. Robson calls this proposal "unrealistic and disruptive".[46] This recommendation, if put into practice, would cause endless conflict and confusion. Robson, therefore, thinks that "it should be turned down without compunction and the Policy Advisers should always work under Permanent Secretary". Otherwise, it would seem to violate Fulton's own fundamental formula that "there should be one person who has the overall responsibility under the Minister for *all* the affairs of the department and this person should, as now, be the Permanent Secretary".

In India, too, the long-term Policy and Planning as a high level staff function has been recognized for some time past. The Deshmukh Study Team of the Administrative Reforms Commission on the Machinery of Government and its Procedures of Work,[47] have recommended:

(a) "At the apex should continue to be the Secretary of the Ministry. Under him, ranged along the same horizontal level, should be administrative offices for handling three kinds of work: staff, substantive and special. Administrative Offices for staff work should be expertly manned. We visualise three such offices in each ministry: an office of planning and policy under a senior chief of rank equivalent to additional or joint secretary; a chief personnel office . . . and a chief finance office. . . .

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"Linking the whole arrangement at the top should be a policy advisory committee headed by the secretary. Its members should be chiefs of the three staff offices and selected chiefs of administrative offices.

(b) "The office of the planning and policy should be responsible for overall planning tasks of the ministry as a whole. In addition, it should have a cell for servicing the policy advisory committee. . . .

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[46] William A. Robson, *op. cit.*

[47] Administrative Reforms Commission, *The Report of the Study Team on Machinery of Government of India and its Procedures of Work*, Chapter III, pp. 37-38.

"The policy advisory committee should function as an amplification of the office of the secretary to make sure that the policy advice tendered to the minister takes all aspects into account.

"...Instead of being the chief adviser to the minister for both policy and administration, (the secretary) would be the chairman of the policy advisory committee and the administrative head of the ministry."

The Administrative Reforms Commission of India has also accepted this approach and recommended[48] that there should be planning and policy office (including a planning cell which should continuously be engaged in formulating long-term policies, carrying out policy studies etc.), manned by staff having specialised knowledge and experience and headed by an additional or joint or deputy secretary, depending on the quantum of work.

This scheme takes good care of policy aspects. Whereas under the Fultonian dispensation, policy advice is the fruit of a sole effort of one man, the Senior Policy Adviser (supported by planning unit) and transmitted directly to the minister, thereby bypassing the Permanent Secretary, the arrangement proposed in India would make the policy function 'collegial' in nature, being the result of deliberations in the Policy Advisory Committee (serviced by policy and planning cell) and the Secretary of the Ministry is very much in the pipe-line and would, very often in practice, be one of the principal policy-contributors. Obviously, the risk of mistake is much less in an empowered group-decision than in a one-man show. Thomas Balogh writes:

"I still think that a collegiate rather than a monarchical organisation of departments would facilitate a democratic policy-making."[49]

OPEN CIVIL SERVICE

The Committee also wants a Civil Service which is more open in two ways. First, it would like to see more interchangeability between the service and other careers, at all levels on both short-term and long-term assignments; secondly, service should be more open in the sense of being more communicative and less anonymous. Contrary to the expectations of their votaries, these two schemes may, in practice, lead to diametrically opposite results. Far from having galvanising and

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[48] Administrative Reforms Commission, "*The Machinery of Government of India and Its Procedures of Work*", Report, September 1968.

[49] Thomas Balogh: "The End of the Amateur", *New Statesman*, June 28, 1968.

freshening effect, the career-exchange-programme between public administration and industry as envisaged under the first proposal, may create conditions for the emergence of favouritism and improper influence no less alarming—though its risk is less often discussed—than the varieties banished by Northcote-Trevelyan. The ethos of public service would be diluted and confidence in its impartiality undermined. The 'in-and-outing' scheme would, therefore, need to be operated within the frame of reasonable limits and adequate safeguards.

The second recommendation rips apart, as if with a surgeon's knife, the ribs of administrative processes of policy formulation and decision-making, makes for open inspection, and implies that the civil servants should be made to expound public polic es in public and argue them out too. Conversely, by implication, the public and the representatives (in Parliament) should also be enabled to reach the officials direct on any important administrative matter. In fact, as Rudolf Klein rightly comments: "Managerial government must mean abandonment of the present introspective habits of secrecy."[50] The Civil Service would have now to become less of a priesthood functioning in secret, shielded from the vulgar gaze. Obviously, this system, partly American and largely Swedish, cannot go far without calling into question the fundamental doctrines of ministerial responsibility and parliamentary accountability, and the present methods of public scrutiny. This vigorous career exchange policy, in spite of its apparent progressive dynamism as also this conducting government in public cannot, however, be a universal prescription. What is ideal or even desirable in a small homogeneous community with identity of interests may not be suitable or feasible in a society differently structured, with different history and traditions.[51]

Reaction of Civil Service Associations

What, then, do we get from Fulton? His report contains many counsels of wisdom scattered all over, and it is obviously impossible to present close-ups of all the recommendations. Generally speaking, the report has been well taken by the Civil Service unions, though some have resented its criticism of the Service. Mr. John Dryden, the General Secretary of the Society of 55,000 civil servants of the Executive Class welcomed "a very great deal" that the report contains, though he considers it "ungracious" in the concentration of its criticism of the Service. Mr. Leslie Williams, Secretary of the staff side of Civil Service National Whitley Council, had dished out a mixed feeling—praise

[50] Rudolf Klein: "Masters into Managers", *The Observer*, June 30, 1968.

[51] Asok Chanda, "Eclipse of the Mandarines", *The Times of India*, September 28, 1968.

for some aspects and resentment for some "sweeping and unsupported generalisation". "It provides", Mr. W. L. Kendall, General Secretary of the Civil Service Clerical Association, thinks, "some reasonably sensible recommendations from which beneficial and significant reform could arise", although he expressed disappointment at the many superficial judgments of what he described "to some extent as academic report", having "an air of unreality" and "without an indication that the committee has made a serious attempt to relate the theory to the facts". Mr. William McCall, General Secretary of the Institution of Professional Civil Servants, pledged "whole hearted support" to the principles set out by the committee, while expressing doubt about some of the detailed proposals. But the strongest criticism came from the Association of First Division Civil Servants representing more than 90% of the Administrative Class, which said: "The report's insistence on specialisation will result in an ossification of the service, if carried to its logical outcome. It (policy-determination by civil servants) implies a bureaucratic state in which politics and politicians are sideshows for the amusement of the people and play no part in government." But this Association also welcomed many reform-proposals for the improvement of the tone of the personnel administration.

CONCLUSION

If the union-opinions and the flutterful reactions of the civil servants, past and present, of the press and intellectuals are any barometer, the report has been able to drive home its main thesis—that the Civil Service needs to be modernized and activized with the new religion of dynamic professionalism, for the realization of which some structural reorganization and methods—changes are inevitable. Once this fundamental point is accepted for action, the report can rightly celebrate its success. To people outside Britain, the importance of Fulton report lies not so much in its recommendations, though their directional significance is immense, but in the analysis of the civil service inadequacies. New ground has now been broken and a distant horizon sighted. How far and how fast one goes will depend on the ethos, genius and capacity of the particular administration. The chief weakness of the Report lies in its far too many sweeping generalizations of an unfavourable variety, unsupported by evidence, giving the impression that the British Civil Service is a "stuffy collection of Victorian fuddy-duddies who must be swept away and replaced by highly equipped technicians dressed in shining chrome."[43] Indeed, in his search for

[43] William A. Robson, *op. cit.*

a scapegoat for a good part of governmental failures and national shortcomings, which Fulton found in the Civil Service, he did not have, in his basket of all-embracing criticisms, any rosy bouquet for the Service. But can any organization live on a steady diet of nothing but criticism and denigration? rightly asked Lord Helsby[53] in the House of Lords. The answer is obviously in the negative. Though the Committee has much, and much that is valuable, to say about the efficiency and internal structure of the Civil Service, it does not dwell fully on basic issues like the functions of a public bureaucracy, its growth, its relationship to the public boards and agencies, its amenability to political control, its public surveillance. That is why *The Times* adjudged:[54] "The report is heavy in its technical appraisal of immediate problems, and light in political reflection. It is a thoroughly contemporary essay."

Everything said and done, it has to be accepted that a beginning—and a good beginning at that—has been made. Once such a beginning has come, can the successful and happy end be far behind?

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[53] Lord Helsby, Speech during the Debates in the House of Lords, Vol. 295, No. 122

[54] *The Times*, *op. cit.*

COMMENTS

(In this feature we give comments received from the readers on the articles published in the previous two issues of the Journal. The comments should be critical and thought provoking, and should be confined to the major points made by the author, inadequacies in his reasoning or data, or any new solution to the problem which suggests itself to the reader. They should not normally exceed 1500 words.—Ed.)

GOVERNMENT WITHOUT TEARS—A SURVEY*

THE survey is indeed illuminating, enlightening and enjoyable. Having gone through it one would certainly wish that all the Indian scholars who go abroad either for prosecuting advanced studies or for taking up research projects make similar laudable endeavours to place before others whatever they have learnt and whatever views they have formulated on the basis thereof, just as Shri Mukerji has done.

It is a little strange but it is a fact that generally our scholars who go abroad keep the valuable knowledge gained by them to themselves, albeit such withholding of knowledge is not in anybody's interests. Shri Mukerji from that angle also, therefore, deserves profusely to be congratulated.

There cannot be any two opinions on the point that Government should be without tears. To put it the other way round, there should be no tears either in the eyes of those who govern or at the same time in the eyes of those who are governed. Truly speaking, there should be no tears in the eyes of the citizens. It would not matter much if there are tears in the eyes of those who govern. For those who govern derive great feeling of satisfaction and power from governing itself which in turn serves quite as a compensation for the tears. Pandit Jawaharlal Nehru in his famous "Tryst with Destiny" speech had said : "The ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us, but as long as there are tears and suffering so long our work will not be over."[1]

Shri Mukerji in the epilogue of his article has rightly summed up the whole situation by stating that "these impressions should have no more relevance or validity beyond the limited objective of helping us to conceptualize the structural and philosophical bases of modernization of public administration in the Indian context".

And the pace for and pattern of not only modernization but more than that simplification of public administration in the Indian context shall be determined largely by crucial factors like area, topography and population of our country, our neighbours, our cultural and linguistic diversities, our

* The original article of this title by Shri Shanker P. Mukerji was published in this Journal in Vol XIV, No. 2 (April-June), 1968.

[1] Speech made by late Shri Jawaharlal Nehru on August 14, 1947 in the Constituent Assembly on the eve of the attainment of Independence.

standard of literacy and education, our industrial development, our means of transport and communications, our development of a scientific outlook in life, our social conditions, our political thinking and finally the big gap that exists between ideals and performance in our country.

If we keep the above mentioned determinants in full view we would find that there is little that we can learn from countries like the U.S.A., the U.S.S.R., the U.K., Japan, France, Poland, West Germany, Denmark and Yugoslavia. For it would amount to comparing the incomparables. Therefore, for the solution of our problems we need not look towards foreign countries. We have to look at ourselves. We have to turn the searchlight inwards.

II

To wipe every tear from every eye we shall have to bring the Government—may it be the Executive, the Judiciary or the Legislature—nearer the citizens particularly the villagers. If somehow we are able to devise ways and means by which this single objective is achieved we shall have done a lot in the direction of "modernizing public administration in the Indian context".

The Union Government of India has its headquarters at Delhi and the State Governments have theirs at their capitals. These places are definitely at great distances from the remote villages in which lies real India. What therefore is immediately needed is that instead of having two types of governments the Union and the State we might have three—the Union, the State and District.

The lists of the subjects given in the Constitution of India in that case shall have to be amended accordingly. The District Government shall have to be given those functions with which the citizen is the most concerned in his daily life so that the citizen need not frequently undertake tours to the capitals of the States and less frequently to the capital of the Union Government of India. While redistributing these subjects to these Governments a lot of thinking shall have to go into it. For example, Judiciary, Transport and Police should be Union subjects. Instances like this could be multiplied.

With Governments at the three levels—the District, the State and the Union—a corresponding change shall also have to be effected in the system of elections. This too might briefly be stated.

For contesting elections instead of individuals there should be teams. For example, if it is decided that the Union Government of India would have fifty-one ministers the contestant for the election should be an individual who aspires to be the Prime Minister of India and he should give out the names of the fifty members of his team who would in the event of his winning be his Ministers, State Ministers, Deputy Ministers and Parliamentary Secretaries.

Similarly, the aspirant for the post of Chief Minister of a State should give the names of, say, twenty of his colleagues who in the event of his

winning would constitute his team. In the same way at the district level the aspirant for the post of Pramukh Minister should give the names of, say, four of his colleagues who would form District Government.

The aspirants should distribute the portfolios in advance. They must also give the names equivalent to one-third of the total number of Ministers who shall be in reserve to be banked upon in case of need. The Ministers' tenure will be at the pleasure of the Prime Minister, Chief Minister and Pramukh Minister respectively who shall be empowered to drop any minister and draw a replacement from and up to the limit of the reserve list.

The voter at the time of General Elections would then have to vote only for three teams—one for the District, another for the State and the third for the Union. A Prime Minister, a Chief Minister or a Pramukh Minister elected in this manner would have the satisfaction and pride of having the backing of the nation, the state and the district respectively.

Now we come to the Legislature. The District Administrative Council would have the Pramukh Minister and his four Ministers as also the Pradhans of the Panchayat Samities as its members. The State Legislative Assembly would have the Chief Minister, his twenty Ministers and all the District Ministers as its members. In the same strain the Union Parliament would have the Prime Minister and all the fifty Union Ministers as also all the Ministers of the State Governments as its members.

Details regarding impeachment and expression of no-confidence in the Ministries could be worked out. For example, if two-thirds of the house vote no-confidence in the Ministry the verdict of the electorate shall again be sought.

The President of India could be elected by the electorate consisting of the members of Parliament, the State Legislatures and the District Administrative Councils. The Governors of the States shall, of course, be appointed by the President of India on the advice of the Prime Minister. Similarly, a sort of District Governor (a representative of the State Government) in the district will be appointed by the State Governor on the advice of the Chief Minister of the State.

Such a set-up as contemplated above would not only save the nation crores of rupees which are spent by the contestants for the membership of State Legislatures and Parliament but at the same time save the citizens the botheration of going beyond the district headquarters for most of their errands with the Government.

There would be two corollaries to the above proposal. One will be that there shall have to be introduced a scheme of decentralization in the working of the Judiciary which otherwise has also become almost imperative in view of the staggering figures of cases pending with the higher courts. Several of the functions which are exercised by the Supreme Court of India shall have to be delegated to the State High Courts, and similarly, several of the functions of the State High Courts could be and should be delegated to the District Chief Courts which shall have to be constituted in this set-up. The judges of the District Chief Courts would be of the status of District and Sessions Judges.

In this manner judicial powers shall have to be delegated down to the level of the Munsif Magistrates whose number shall have proportionately to be increased to cope with the additional work delegated to them from above. When the number of Munsif Magistrates increases the block headquarters could be made their headquarters as against mostly sub-divisional headquarters as at present.

This, in effect, will mean bringing justice nearer the citizens—from Delhi to the capitals of the States, from capitals of the States to the district headquarters and so on to the block headquarters. Thus, justice would comparatively be cheaper and within reach of poor people also.

Another corollary would concern the administration. Here with the establishment of a District Government the unit of administration will have to be kept at the block level. Whatever functions that are exercised by the District Collectors at the moment shall have to be delegated to the S.D.O.s in charge of these blocks. For the Collector himself will be the Chief Secretary to the District Government.

On this very pattern the working of all the departments could be reorganized without any substantial financial burden on the State exchequers. From the point of view of the citizen, instead of going to the district headquarters for so many things as he has to do at present he shall have to go to the headquarters of the block which will be the headquarters of the S.D.O.

The above measures are proposed so that the Executive, the Judiciary and the Legislature may come down nearer the villages and the villagers and *inter alia* nearer the proverbial grass-roots level. Once this is done decisions would be quicker and more reasoned and the chances of redressal of citizens' grievances would also register a perceptible improvement.

III

There are some other suggestions also which, if implemented, would go a long way in simplifying and improving the tone of public administration in India and eventually achieving the ideal of a "Government without tears". These again in the interest of brevity and precision are just enumerated hereunder.

Firstly, no minister, or other public servant should be allowed to deliver extempore speeches. Whatever speech one has to deliver in one's official capacity should be well set out on paper in advance and then the paper might be read over to the audience. It will have various obvious advantages. Apart from that it will be in good taste also, for delivering a speech extempore generally amounts to belittling the capabilities of the members of the audience.

Secondly, in order to boost up self-respect of the nation and its citizens we must stop accepting foreign aid and loans from whatever country that might come. "It is humiliating for India to be dependent upon the industrialized countries for better agriculture and more industry."[2] We should

[2] Leland Hazard, "Strong Medicine for India", *The Indian Express*, June 3, 1966.

thank the donors with a polite 'no' and tell them that we would prefer to manage with the resources available within the country and thus stand on our own feet. We must not even for a moment think that without foreign aid we shall perish. For it is with foreign aid that we are likely to perish (more psychologically than physically)—not without it. An Indian adage says: "It is better to die than to beg" and it is not without significance also. If we go on accepting aids we shall not be able to stand on our own feet.

Thirdly, expenditure on administration should drastically be cut. There are various departments and posts that could be scrapped. The Vigilance Commissions, Directorates of Public Grievances, Directorates of Administrative Vigilance and Anti-Corruption Departments, Special Police Establishment, Revenue Boards, Commissioners for D.E.s, Food and Development, Savings Organizations, O. & M. Research and Administrative Reforms Divisions, Directorates of Social Welfare, Home Guards and Civil Defence organizations and divisional level officers like Divisional Commissioners, Deputy Inspectors General of Police, Superintending Engineers, Deputy Directors of Health, Agriculture, Veterinary and a number of other such departments and posts could be done away with. In the same way loans to Government servants for purchase of cars and construction of houses could be banned. Visits to foreign countries by Government servants at the cost of the State should also be curtailed if it cannot be banned altogether. A poor country like ours cannot afford these luxuries. Let us defer having them till we become affluent.

Fourthly, the ratio between the starting salaries given to the lowest paid Government servant and the highest paid one should be no more than 1 : 10. If looking to our financial position we find that we cannot afford to pay, say, more than Rs. 200 p.m. to the lowest paid man, let us see to it that the highest paid man does not get more than Rs. 2000 p.m. This is very necessary in the interest of socialization of public service.

Fifthly, the ministers (the political executives) should be paid a salary higher than the Government servants (the permanent executives) working under them. This is very necessary symbolically as also to enable the political executives to maintain their position and standards. The fact that Government service, apart from providing a life-long secure career, carries with it certain perquisites like Pension, Gratuity, Earned Leave, Study Leave, Sick Leave, Provident Fund, etc., which are not admissible to the political executives, cannot be lost sight of in this behalf.

Sixthly, in the interest of the process of decision-making the number of committees should drastically be cut. Reasons: "Individuals however important the places they occupy avoid responsibility and get matters decided by committees generally constituted by themselves, may be with the ratification by one above in bureaucratic hierarchy."[3] At the same time no single minister, generalist or scientist should serve as a member of more than, say, ten committees. "It is not an exaggeration to say that the top five or six scientists in this country are members in about one hundred to four hundred committees each."[4] The same is the fate of ministers and generalist

[3] "Science, Politics and Ethics", *The National Herald*, October 3, 1968.

[4] *Ibid.*

administrators as well. "It is neither practicable nor reasonable to expect these members to go through the agenda papers, leave alone study the vast literature"[5] connected with their spheres of activities. In this state of affairs "it is no wonder that far-reaching decisions are taken in some meetings and reversed in subsequent meetings of the same Committee".[6] One has therefore to concede that "the life cycle of the committee is so basic to our knowledge of current affairs that it is surprising more attention has not been paid to the science of comitology. The first and most elementary principle of this science is that a committee is organic rather than mechanical in its nature: it is not a structure but a plant. It takes root and grows, it flowers, wilts, and dies, scattering the seed from which other committees will bloom in their turn."[7]

Seventhly, the number of State enterprises should be increased only when the existing ones have stabilised themselves and started giving substantially tangible returns. Till the day we recover economically and financially State activities should be curtailed to the minimum possible. The State needs to have basic departments dealing with minimum essential functions of the State only. A developing State should scrupulously keep its hands off activities which appropriately belong to the citizens.

Eighthly, the State should not assume the role of a moraliser. Laws which are not popular with the people and are hence not easily enforceable like the Prohibition, anti-gambling and anti-Prostitution laws should be repealed altogether. Instead, these so called vices should be checked and regulated by issue of licenses and imposing conditions thereon in the interest of economic, social and moral health of the citizens.

Ninthly, keeping in view the need for expertise in administration we should have, instead of only one Indian Administrative Service, as at present, a number of Indian Administrative Services like Indian Regulatory Administration Service, Indian Financial Administration Service, Indian Educational Administration Service, Indian Agricultural Administration Service, Indian Commercial and Industrial Administration Service and so on. In these spheres there should be no Class I State Services. Thus, there would be no generalists in public service except either as ministers or as elected representatives in other capacities. "In the world of today where every morning paper heralds a new technological break-through in some field or the other, it is important that the generalist-administrators and civil servants are shocked out of their rule-of-the-thumb, trial-and-error and "hunchy" methods and are exposed to new developments and acquainted with techniques which the technicians and specialists employ to process data and to formulate their views."[8] Truly speaking, "the future belongs not to a mere 'bureaucrat' but something akin to a technocrat."[9]

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[5] "Science, Politics and Ethics", *The National Herald*, October 3, 1968.

[6] *Ibid*.

[7] C. Northcote Parkinson, *Parkinson's Law and Other Studies in Administration*, Boston, Houghton Mifflin, 1957, p. 33.

[8] M. Channa Reddy, "Political and Permanent Executives", *The Indian Journal of Public Administration*, New Delhi, Vol. XIV, No. 2 (April-June) 1968, p. 254.

[9] *Ibid*.

Tenthly, the retirement age of Government servants should, throughout the country, be brought down to 55 years. At present it is mostly 58 years, and officers are re-employed or their services are extended even after their attaining 58 years of age. "There should be a general prohibition of employment after retirement. This prohibition should, as the Estimates Committee has emphasized, extend to a period of three years and cover All-India and Central Services. This prohibition should preferably be statutory in nature, carrying with it a note of finality. And, even when employment is accepted after the period of three years, the pensionary benefits should remain discontinued during the period of such employment."[10]. Retired Government servants should serve the people in better spheres of life than administration which should be left to the younger generation.

Eleventhly and finally, suitable practices need be evolved to govern the relationship between the political executives and the permanent executives. "The system of government in our country is based upon the maxim of ministerial responsibility and the general anonymity of officials."[11] "In practice, while it is certainly the function of the minister to determine policy, it is also the duty of the civil servant to make available to his political chief all information and experience at his disposal and to tender advice without fear or favour, so that correct decisions may be made by the minister."[12] "In other words it is the duty of the civil servant to maintain the government as a going concern."[13] But unfortunately for the country "the number of officers who will dare to give unpalatable advice when their duty requires it is rapidly declining"[14]. It is axiomatic that "the country in its present situation cannot afford that its highest officers should be unable to act independently and fearlessly and should be obliged for whatever reasons, to shape their advice to fit in with what they think their ministers want"[15].

It may be stated that *these items* are not exhaustive but they are just illustrative only. They could be multiplied further as well. However, it would appear that the way to the nation's welfare seems to lie through the precincts of Government and that while red-tape and cumbersome and tortuous procedures are certainly the evident malaise the administration is suffering from, the real malady lies in the official allergy to change and simplification. The malaise has become so deep rooted that it calls for a drastic remedy. Temporary cures would not only serve no purpose but instead may tend to make an already bad situation worse.

In short, our salvation is in bringing the Government nearer the citizens particularly the villagers and in effecting economies in Government

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[10] Shriram Maheshwari, "Employment of Retired Government Officials", *The Indian Journal of Public Administration*, New Delhi, Vol. XII, No. 2 (April-June) 1966, p. 253.

[11] Extracts from an address delivered by Shri R. K. Khadilkar, Deputy Speaker, Lok Sabha, at the Concluding Seminar of the "Appreciation Course on Techniques of Administrative Improvement" organized by the Indian Institute of Public Administration, published in *National Herald*, dated October 7 and 8, 1968 under the title "Ministers and Civil Servants".

[12] *Ibid.*

[13] *Ibid.*

[14] *Ibid.*

[15] *Ibid.*

and all around. The suggestions made in this note are just a few of the scores of measures which could enable the nation to have a 'Government without tears'.

—G. C. SINGHVI

MANAGEMENT OF PUBLIC UNDERTAKINGS IN INDIA*

Shri M. G. Shah's article has identified some of the major problems which obstruct the successful operations of the public sector undertakings and has attempted to present a few useful suggestions for their improvement. Interesting as his exposition is, Shri Shah covers very little new ground. It is recognized that the public sector undertakings in India deserve and need a lot of criticism because their performance has been discouragingly unsatisfactory. Well-informed criticism of their operations can be a powerful instrument of their improvement, but such criticism should be objective and specific. It should also keep in view the special features of the public sector undertakings in India. The kind of generalized, ideologically-inspired and text-bookish criticism one often hears these days is not only based on half-baked theories and inadequate understanding of the vital role of the public sector undertakings in the country's economic development; it may also further demoralize the managers of these undertakings and the interested public at large.

It is not fair to pass blanket judgments on the relative performance of private sector and public sector undertakings. To be sure, there are many private companies whose tales of inefficiency and mismanagement can successfully compete for attention with the well-known scandals of some of the public sector undertakings. Besides, the problems encountered by a heavy engineering concern or a steel plant are vastly different in magnitude and dimension than those met by a manufacturer of soaps, cosmetics and toothpaste. It is also not correct to consider the entire public sector as a monolithic establishment and to assume that what is true of one part is true of all. It is thus inaccurate to generalize about the role of the politicians' intervention in the working of the public sector enterprises by picking some isolated illustrations from a state transport undertaking, as Mr. Shah has done. It is indeed necessary to take each public sector undertaking in its own context and evaluate its performance. Only then, we should be able to formulate some valid generalizations.

One neglected element, common to most public sector undertakings in India, however, is the confusion concerning their objectives. The organizational structure of these undertakings is ineffective, their performance evaluation methods are imprecise, and there is so much confusion about their operations because the specific corporate objectives of these undertakings have not been stated. In the absence of clearly stated objectives, different people apply different standards of evaluation.

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* The original article of this title by Shri M. G. Shah was published in this Journal in Vol. XIV, No. 2 (April-June), 1968.

Corporate objectives of large public sector undertakings are determined by the accepted values of the society. Whatever the objectives envisaged for a particular undertaking, they must be clearly and specifically spelled out. The use of vague term 'socio-economic objectives' does not help anybody, least the managements of these enterprises. The Government, with the assistance of the top management of the undertaking, should define whether the major objective of a particular enterprise is balanced regional development, import substitution, self-sufficiency in vital defence equipment, development of infra-structure, greater employment, social control of industry, prevention of private monopolies or anything else. Such a clear definition will provide guidelines to the management and proper standards of evaluation for all concerned.

It is correct that profit is the most important objective of any business undertaking. Profit is also an important social objective. Our tendency to shun this word and the consequent failure to spell out the precise nature of the results expected from different public sector undertakings has led us to the present state of confusion. Traditionally, profit is calculated in terms of return on investment but if saving of scarce foreign exchange resources is stated as the main objective of an undertaking, we should evaluate its performance in that context. Similarly, in industries where dependence on imports could be dangerous for the national security, production of such items should be considered as profitable even though the rate of return on investment may be negative. Besides, where the capital outlay is enormous and the gestation period is long, distinction should be made between the notions of profit and profitability. It is very important that the public sector undertakings adopt the system of Management by Objectives[1]. For this, the corporate goals of each undertaking should be clearly spelled out. Only then will it be possible to lay down meaningful standards to appraise the performance of the enterprise as well as the job performance of managers at different levels. Only then can we devise the rational policies for salary administration and management development.

Complaints about low pay scales of the managers in the public sector undertakings are valid and the adoption of civil service policies and procedures in personnel matters has done more harm than good. But, anyone who has seen the middle managers from the public sector and private sector together will testify to the fact that there is no dearth of bright, well-trained and effective managers in the public sector undertakings. It is not fair to harp on the poor quality of managerial personnel. Similarly, it is not difficult to attract capable managers from the private sector to occupy the managerial positions in the public sector undertakings. None would deny the importance of developing managerial personnel in the public sector with the ultimate objective of finding the top men in their ranks. Professionalization of the public sector management is necessary but the emphasis on the device of creating cadres is not a sound proposition. As Indian industry develops, we should expect greater mobility among managers and the public sector undertakings should be able to attract and retain qualified managers at all levels including the top. Shri Shah has

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[1] See, George Odiorne, *Management by Objectives*, New York, Pitman, 1965; and Dale D. McConkey, *How to Manage by Results*, New York, American Management Association, 1965.

suggested that the *ad hoc* policy of installing the civil servants into the managerial offices in public sector undertakings should be discontinued. Action in this direction has been taken recently. In fact, it will be desirable also to encourage mobility from the public sector undertakings to government.

It is often overlooked that lack of commitment on the part of the top managers of public sector undertakings is a major source of their inefficiency. It is alright for the civil servants and the politicians to be appointed to these jobs provided they are competent and are committed to the goals of the enterprise. Very often, one meets people in these positions who have no commitment, who have no personal stakes in the proper functioning of the enterprise and who bide their time in the hope of the next assignment and work under the belief "after me the deluge".

The question of the proper role of the administrative Ministries and Parliament in respect to the public sector enterprises is of great importance. It is recognized that excessive control and interference have resulted in erosion of autonomy of the managements of these enterprises. The Administrative Reforms Commission has also made some very useful suggestions in this context. However, it should be recognized that the administrative departments and Parliament will have the tendency to exercise control by virtue of ownership rights and the professional management of these enterprises will resent this interference. This conflict is natural and it is necessary to develop suitable norms for the management of this conflict. One of the approaches could be to make distinction between policy-making and administrative action. Naturally, it would be the responsibility of the Government and Parliament to lay down broad overall policy for different public sector undertakings and to retain the reins of control so that the results achieved could be compared against the expected results and policy modifications can be made from time to time. At the same time, the managements of the public sector enterprises will be left free to produce results through administrative action in the light of the policy guidelines.

Two action-plans are necessary in order to achieve this separation of policy-making and administration. First, the members of Parliament should be educated about the goals and operations of the public sector enterprises. Perhaps, the public sector enterprises should have more public relations activity than they have had in the past. Secondly, professional management should be developed in the public sector enterprises. This implies both the development of professional managers and promotion of modern management attitudes and approaches. A strong management team should be able to withstand the interference from Parliament and the administrative Ministries.

I think the remedy suggested by Shri Shah, *i.e.* conversion of the existing public sector enterprises into mixed enterprises, will worsen the situation. The advocates of this approach perhaps take inspiration from what has been done in Pakistan, and obviously confuse between ownership, management and control. The public sector enterprises represent the entrepreneurial effort of the state. Ideology may have played some role in this effort but the fact remains that the Government assumed this role because of the shortage of entrepreneurial enterprise, technical and managerial skills and capital for development of these large-scale enterprises in the country. Besides, the

problems of the public sector undertakings are the problems of management. It is not certain that conversion of these enterprises into the mixed concerns will result in better management. If the Government is allowed to retain the controlling interests in the enterprise, much of the *scenario* will remain unchanged. This, then, may be a disguised attempt to pass on the entire public sector enterprises to the private parties. This will be not only a retrograde step but could also be dangerous for the Indian society since such transfers are bound to create large-scale corruption. Thus, what is necessary is not private ownership but introduction of management techniques which have been applied in the successful business enterprises, whether in public or private sector. Development of professional management is the key to the success of the public sector enterprises in India. This can, and should, be done without transfer of ownership to the private sector.

—DR. B. L. MAHESWARI

II

A cumulative loss of nearly Rs. 200 crores (by 31st March, 1967) with an investment of about Rs. 3,000 crores in the public sector will make any one feel concerned about the performance of public undertakings. Shri M. G. Shah's article, pin-pointing some of the problems, is very illuminating and instructive in this direction. It is difficult for any one to disagree with him that "the success of any enterprise, whether in the private or public sector, depends upon two things: (*a*) organization and structure of the enterprise, and (*b*) quality of its personnel".

The Government has been tapping various sources for recruitment. Our omnipotent civil servants formed the major source in the early stages of the expansion of the public sector. They, no doubt, did provide at the initial stages a spark of inspiration and permeated the whole undertaking with a spirit of enthusiasm. But no undertaking can afford to depend on such extraneous sources for a very long time. Private sector undertakings formed another source. Shri Shah has unduly stressed on this source of recruitment. But the public undertakings neither could depend nor perhaps can depend to a large extent on the private sector undertakings as a source of recruitment. Firstly, it is very weak in regard to representation of professional talent and secondly, the average size of the public undertaking, in terms of paid-up capital, is much more than that of the private sector undertaking (nearly 100 times); indeed there is only a handful of brilliant persons in the private sector. The public undertakings, thus can benefit from the private sector at the top-management level only to a very limited extent. Even for the middle-level, only a small percentage of the total requirement can be obtained because the requirement of the public sector undertakings is comparatively in new technological vistas. The public sector undertakings, therefore, have to depend mostly on the development of the professional talent from within.

In the personnel policies we have to strike a balance which can meet the needs firstly, of an industrial/commercial enterprise and secondly, of a

public concern. It is necessary to balance the needs of "operating autonomy" in personnel administration with the requirements of uniformity and regularity. Autonomy in day-to-day administration of the personnel policies is required in order to secure loyalty and affinity of the employees towards the undertakings, whereas control is needed for bringing in uniformity, to avoid "flight" of the personnel, to ensure adherence to the general principles of personnel administration and to see that every undertaking has a team of loyal and competent managerial personnel. But the extent of control should depend on the level of the managerial position. In respect of appointment and other personnel activities of the top-level managerial positions the controlling Ministry/Cabinet may have control. But in the case of middle-level positions there should be general control in personnel activities, requiring thereby the approval of the personnel policies and rules and regulations by the Government but leaving the implementation of the policy with the undertakings. In the case of the lower-level positions, the undertakings should be given complete autonomy in formulating and implementing the personnel policies.

Our public undertakings are placed at such a disadvantageous position, as compared to private sector undertakings, that it requires tremendous efforts, both at the national and at the undertakings level, to meet the challenge of the existing shortage of the managerial personnel and to attract the available personnel for the undertakings. There exists today a wide disparity in salaries among the employees of the public undertakings, civil servants and the employees of the private concerns. The gap is widst at the upper level of the managerial personnel—the very level where the need for quality and excellence is most acute. Even within the public sector there is a disparity in pay and other conditions of service. Anything which hampers the best utilization of the available manpower is a luxury we can ill-afford. The problem, therefore, warrants a thorough study for its proper solution.

—O. P. Minocha

III

Audit

The public concern that every rupee of public funds should be properly spent and wisely spent formed the basis for the creation of the institution of Comptroller & Auditor General of India under the Constitution. If this organization has at times proved to be an irritant to the zealous managers of public undertakings, this is a matter for effecting improvements. The importance of the institution of C.A.G. should not be detracted, as suggested by the author, "by taking the C.A.G. out of the picture for checking individual transactions". That will be against the Constitution. Even in respect of individual transactions which range from payment of daily wages to purchase of aeroplanes, if there have been any major irregularities or major deviations from stated public policies, it is C.A.G.'s right and duty to bring them to the notice of Parliament. This position has also been emphasized by Recommendation 53 of Parliament's Committee on Public Undertakings (1967-68) in their 15th Report "Financial Management in Public Undertakings".

Similarly, the public in India were, and still are, very much concerned about the exercise of patronage by the powers that be in the matter of making appointments to public services, that is, to jobs paid out of public funds. It was this concern which led the Constitution makers to specifically provide for the creation of independent bodies called the Public Service Commissions. From the proceedings of the various legislatures and the feelings often voiced in public it is apparent that this concern has, if anything, become more intense. In such a context, to say, as some people do, that the recruitment to posts in public sector undertakings should be left to the heads of the individual undertakings is against the spirit of the Constitution although, in a technical sense, it may not be held to be unconstitutional.

I do not know how it can be seriously suggested that unless recruitment is left to the discretion of the individual undertakings they will not be able to get efficient men. If it is accepted that only such a discretion can help locate efficient men should it not be applicable to posts in Government as well? Can we afford to run the Government Departments less efficiently than the public undertakings? Though it may seem attractive in the beginning the heads of undertakings will possibly realize soon enough that full autonomy to them in the matter of recruitment is not an unmixed blessing. The "political and administrative pressures" they are subject to, are well known and have been referred to even by the A.R.C. in their report. The "hire and fire" system may eventually lead to "hire only" system, which is not going to be in the interest of public undertakings, many of which are already overstaffed.

As the author says, the public undertakings should not for ever depend on deputationists from Services. But the alternative is not to give up the accepted principles in the administration of public services. Thus, while dependence on civil service cadres should be gradually eliminated new cadres must be organized reconciling the needs of public undertakings with public opinion and the spirit of the Constitution.

The author has also drawn attention to the low levels of remuneration in public undertakings. His plea that they should be raised to "market levels" is, however, not likely to be acceptable because of the serious repercussions on public services and the expenditure involved. While a mechanical engineer in Hindustan Steel may be paid less than his counterpart in a private sector firm he certainly cannot be paid much more than a mechanical engineer in, say, the Railways. Thus, for a long time to come persons in Government departments and public sector undertakings have to be content with what the Second Pay Commission called the "intangible benefits". It is here that a proper cadre structure with well-defined prospects for advancement can come to the rescue. Only in such a system can we hold and retain the requisite talent in the undertakings.

It is, therefore, suggested that:

(*a*) Cadres should be organized on functional basis, such as a cadre of structural engineers, a cadre of chemical technologists, a cadre of marketing specialists, a finance and accounts cadre, etc.;

(*b*) Such cadres should embrace as many undertakings as possible but should be of manageable size;

(*c*) Initial recruitment to these cadres should be through the Union Public Service Commission at a relatively young age as is being done in the Indian Railway Service of Engineers, Indian Ordnance Factories Service, Telegraph Engineers Service, etc.;

(*d*) After a spell of initial training the officers should be placed at the disposal of individual undertakings for relatively long spells, say at least five years each time, and the undertakings given full freedom, to make the best use of them; and

(*e*) Merit should be the sole criterion for determining the future promotions of these officers.

The above arrangement will be an improvement over the existing system where many personnel are working in the undertakings without any kind of an assurance for sustained advancement in their careers even if they deliver the goods. The suggestions will also be an improvement over the system of "deputations". Since the personnel of these cadres have to work in one public undertaking or the other but have no option to go back to any "parent" cadre it will facilitate the kind of adjustment which is said to be wanting in some of the "deputationists" coming from outside.

Though it may not evoke very pleasant memories, I may conclude by saying that "cadres will do everything"—not the political cadres though, but the well-trained, well-disciplined, loyal and efficient cadres of public servants.

—K. S. Sastry

INSTITUTE NEWS

The Fourteenth Annual General Body Meeting of the Institute was held on October 28, 1968. *Shri Y. B. Chavan*, Union Minister for Home Affairs, was unanimously re-elected President of the Institute for the year 1968-69.

As a result of the biennial elections held in September 3, 1968, the following were declared elected to the Executive Council: (1) Shri H. M. Patel, Chairman, Charutar Vidyamandal, Vallabh Vidyanagar, (2) Shri N. H. Atthreya, Director, Modern Management Counsel, Bombay, (3) Prof. M. V. Mathur, Director, Asian Institute of Educational Planning and Administration, New Delhi, (4) Shri Gopeshwar Nath, Chief Welfare Officer, Ministry of Home Affairs, New Delhi, (5) Prof. Shanti Kothari, Member, Rajya Sabha, (6) Shri Bipin Chandra, Deputy Accountant General, AGCW&M, New Delhi, (7) Shri C. M. Trivedi, Formerly Member, Planning Commission, New Delhi, and (8) Shri M. K. Chaturvedi, Deputy Director (Training), Ministry of Home Affairs, New Delhi.

As there were no outstanding entries to deserve the first prize in this year's Essay Competition, the IIPA President awarded a prize of Rs. 500 each to: (i) Shri Narayan Janardan Joshi (CTR Manufacturing Industries Ltd., Poona) for his essay "Public Administration and Science of Management", and (ii) Shri P. J. Vernekar (Research Associate, IIPA) for his essay "Integration of Planning and Budgeting".

The Twelfth Annual Conference of the Members of the Institute met on October 27. It was presided over by *Shri B. D. Nag Chaudhuri*, Member, Planning Commission. The subject for discussion was "Urbanization and Urban Development".

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The Institute organized the following courses for middle/senior level officials of the Central and State Governments during July-Dec., 1968:

(1) Ninth Appreciation Course on Techniques of Administrative Improvements (July 29-Sep. 28);

(2) Fourth Course in Municipal Administration (by IIPA's Centre for Training & Research in Municipal Administration) (August 19-Sept. 29);

(3) Second Course in Social Welfare Administration (Aug. 28-Sept. 12);

(4) First Orientation Course on Performance Budgeting (Sept. 2-7);

(5) Second Course on Budgeting and Financial Control (Sept. 16-Oct. 5);

(6) Second Orientation Course on Performance Budgeting (Oct. 29-Nov. 4); and

(7) First Specialist Course on Advanced Work Study (Nov. 18-Dec. 14).

The following seminars were also organized during the quarters under review:

(1) Seminar on Applied Sociology (New Delhi, Sept. 28-29) (in association with Delhi Sociological Association);

(2) Seminar on Lessons from U.S. Experience in Performance Budgeting (New Delhi, Nov. 28) (discussion leader Dr. Walter Fresse, a Ford Consultant); and

(3) Seminar on Administration of the Urban Fringe (New Delhi Nov. 29-30) (organized by IIPA's Centre for Training and Research in Municipal Administration).

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Dr. Karan Singh, Union Minister for Tourism and Civil Aviation, delivered a talk on "The New Dimensions of Tourism and Its Administration" on November 25, 1968.

The following lectures were delivered under the auspices of the Regional/Local Branches:

Date (*Branch*)	*Subject*	*Speaker*
Ajmer (Aug. 19)	"Politician and Administrators at the District"	Prof. Shanti Kothari, M.P.
Mysore (Aug. 23)	"District Development and District Administration"	Shri B. Venkatappiah, Member, Planning Commission
		(Sh. Veerendra Patil, Chief Minister of Mysore, presided)
Poona (Aug. 30)	"Administrative Reforms in Maharashtra"	Dr. N. R. Inamdar, Reader in Public Administration, University of Poona
Poona (Sept. 6)	"Administrative Reforms in India: General Frame-Work"	Shri P. R. Dubhashi, Director, V. M. National Institute of Co-operative Management, and also Hony. Secretary of the Branch
Pondicherry (Oct. 28)	"Administration: Its Meaning and Purpose"	Smt. Aujani Dayanand, Chief Secretary, Government of Pondicherry and also Chairman of the Branch
Pondicherry (Nov. 6)	"Role of Government Departments in Legislative Process"	Shri R. C. S. Sarkar, Member, UPSC
Ajmer (Dec. 14)	"A Minister and his Responsibility"	Smt. Tarkeshwari Sinha, M.P.

A Local Branch was formally inaugurated on July 1, 1968 at Ajmer by *Shri Mohan Lal Sukhadia*, Chief Minister of Rajasthan.

With its total membership now increased to more than 50, the IIPA Branch at Trivandrum has become a Regional Branch from July 23.

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The President of India, *Dr Zakir Husain* formally released *The Framing of India's Constitution* on November 26, 1968 (at a special ceremony held in Ashoka Hall of Rashtrapati Bhavan). This prize publication, containing 4,000 pages, consisting of five volumes—a Study and four volumes of select documents—has been brought out by a Committee of the Institute headed by *Shri B. Shiva Rao*. The volumes are available in two editions—superior paper edition : price Rs. 350 per set of 5 volumes: ordinary paper edition : price Rs. 300. (Publishers and distributors : *Messrs N. M. Tripathi Private Ltd.*, Princess Street, Bombay-2.)

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The Institute has also brought out the following publications : (1) *Personnel Administration—The Need for Change*—Report of the Conference on Personnel Administration Organized by the Institute from March 5-9, 1968 (Rs. 20.00); (2) *Bibliography on Public Enterprises in India* (Rs. 3.00); and (3) *Social Change in a North Indian Village* by Dr. A. P. Barnabas (Rs. 10.00).

Distinguished visitors as follows paid a visit to the Institute :

(1) *Dr. E. G. Edwards*, Vice-Chancellor of the Technological University of Bradford, U.K. (Aug. 5);

(2) *Mr. E. A. King*, General Secretary, Work Study Practitioners, London (Aug. 8);

(3) *Mr. Henry Shelton Wanasinghe*, Director, Ceylon Civil Service Academy (Sept. 4);

(4) *Dr. Maddathir Abdul Rahim*, Dean of the Faculty of Political Science, Khartoum University, Sudan (Sept. 24);

(5) *Dr. Fred Fielder*, Director, Group Effectiveness Laboratory, University of Illinois, U.S.A. (Oct. 9). He also spoke on "Leadership Traits";

(6) *Mr. Francis X. Sutton*, Deputy Vice-President for International Division of the Ford Foundation, New York (Oct. 31); and

(7) *Dr. Everett Kleinjans*, Chancellor, East-West Centre, Hawaii U.S.A. (Nov. 27).

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The Director, IIPA, participated in an Inter-Regional U.N. Seminar at Geneva during August 19-29 on "Development of Senior Administrators in Public Service of Developing Nations". He also attended the XIVth Congress of the International Institute of Administrative Sciences, held at Dublin from September 2 to 7.

RECENT DEVELOPMENTS IN PUBLIC ADMINISTRATION

(I) Administrative Reorganization

During July-December 1968, the Administrative Reforms Commission submitted the following reports to the Government: "Economic Administration" (July 20), "The Government of India and its Procedures of Work" (September 16), and "Life Insurance Administration of India" (December 10). Digests of the first two reports appear at pages 1033 and 1021 respectively.

The *Maharashtra* Administrative Reorganisation Reforms Committee, headed by Shri S. K. Wankhede, has, in a recent report, recommended the introduction of a 'pilot section' scheme in the State Secretariat, periodical review (both by the administrative departments and a committee of the Finance Department) of the working of delegations, permitting the Deputy Secretaries by convention to submit cases directly to Ministers and relieving the Chief Secretary of matters like O&M, security, office management, etc. The Committee has also proposed the creation of a full-fledged Personnel Department in the Secretariat under an independent Secretary and of Personnel Units in different departments, constitution of a cadre of hospital administrators drawn from laymen, increase in the proportion of direct recruits to Class I and Class II State Services to 50 per cent, limiting direct recruitment at subordinate levels to 25% and a widening of the scope of the combined competitive examination for recruitment of Deputy Collectors, etc., to cover as many services as possible. The Committee has further favoured the beginning of the financial year from 1st July and the setting up of a central bureau for state public undertakings, a State Town and Country Planning Council, a Board of Teacher Education and a State Institute of Education. According to the Committee the Zila Parishad staff should be placed on par with the Government staff of similar categories in the matter of recruitment, pay-scales, privileges and facilities; and M.P.s or M.L.C.s and M.L.A.s should not be members of Zila Parishads and Panchayat Samitis. The Committee recognises the need for an Ombudsman in the State but recommends that his role should be performed by the State Vigilance Commission by extending the latter's jurisdiction to cover cases of administrative delays, discriminatory treatment and improper exercise of discretionary powers.

As a result of a review of functioning of various committees of the Ministry of Information and Broadcasting it has been decided to disband 15 committees and to change the composition and functions of 12 others. The Central Programme Advisory Committee of all India Radio will, in future, include the Leader of the Opposition in the Lok Sabha or until one is so recognised a member of Lok Sabha to be nominated in consultation with the Speaker and the Minister for Parliamentary Affairs. Similarly, Programme Advisory Committees attached to All India Radio stations,

located in State capitals, will include leaders of Opposition in the State legislatures.

At the Centre, an Efficiency Bureau has been set up by the Department of Posts & Telegraphs to streamline and improve its services. A 10-member Committee has been constituted, under the chairmanship of Shri I. K. Gujral, for evaluating different systems of telephone revenue billing and accounting. The Government of *Mysore* has set up a 7-member State Planning Board, with Minister of Finance and Planning as its Chairman. Other Committees set up include: an 11-member Committee at the Centre, under the chairmanship of Shri B. Bhagavati, M.P., for formulating a phased programme of development of Inland Waterways; a Committee for promoting industrial development in Mysore; and a Committee (Chairman, Shri B. D. Sanwal, I.C.S.) for examining problem of landless persons in U.P.

(II) Civil Service Personnel

The employees of the Central Government went on one day token strike on September 19, 1968. Ten demands were put forward as the grounds for strike by its organizers. The dispute mainly related to four of them, namely: (*i*) merger of D.A. with basic pay, (*ii*) a need-based minimum wage and fixation of differentials, (*iii*) withdrawal of the scheme for retirement at the age of 50 of Government employees who are ineffective or whose integrity is in doubt, and (*iv*) full neutralization of the rise in the price index. It was complained that Government had failed to refer the first two issues to arbitration, as demanded by the Staff Side in the National Council of the Joint Consultative Machinery.

In his statement of September 4, the Home Minister had clarified that the question of merger of D.A. with pay could be negotiated and could also be referred to arbitration, if necessary. As regards the need-based minimum wage, the Government's stand was that the issue was not arbitrable as it did not relate to pay and allowances of a class or grade of employees as specifically required under clause 16 of the scheme of Joint Consultative Machinery and Compulsory Arbitration. The Government were, however, willing to discuss the issue with the representatives of the Staff Side. Further, the Second Pay Commission (1959), presided over by Justice B. Jagan Nath Das, had found that the proposal was economically and financially not feasible. While the concept of making the 'need-based' minimum wage was unexceptionable as a social objective, it could not be considered only for the employees of the Central Government in isolation from the general body of the industrial and agricultural labour force in the country and without regard to the level of the national income and the state of the national economy. The National Commission on Labour was currently examining, among others, "the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages including a national minimum wage". The Central Government accordingly felt that it would not be right to anticipate the Labour Commission's recommendations or to place the much narrower issue of Government employees alone for arbitration before another forum. As regards item (*iii*), discussions had already been held with the representatives of the employees and the matter was under consideration. Item (*iv*) had still to be discussed by the Joint Consultative Machinery.

In view of the threatened strike, the President of India promulgated on September 13 the Essential

Services Maintenance Ordinance; and under the powers conferred by this Ordinance the Central Government prohibited strikes in essential services. The strike call met with poor response, as a result of firmness shown by the Government in tackling the situation. Out of a total 27.2 lakhs* of Central Government employees, about 2.4 lakhs (8.8 per cent) took part in the strike. According to official information, 8,134 employees had been arrested, 95 dismissed as a result of conviction, and 7,847 suspended. The number of employees whose services were terminated was 2,535. The Government derecognised all the employees organisations which participated in the strike. The organisations which were partially affected by the strike mostly were the Posts and Telegraphs Department and the Railways. Later the P & T employees resorted to go-slow or work-to-rule. This practice, too, was declared illegal.

In mid-October, the Government, as an act of grace, decided to reinstate those employees who had only absented from duty on September 19. The Government servants who are thus allowed to rejoin duty would, however, have a break in service as a consequence of their unauthorised absence from duty. It would all the same be open to the competent authority to condone the break after observing the conduct of the employees for a period of five years. The Government refused to withdraw the action against the employees suspended or dismissed for indulging in voilence or inciting and instigating others to go on strike.

The Essential Services Maintenance Ordinance was replaced by an Act of Parliament on December 28. This Act will remain in effect for three years.

*The figure is for March 1968.

The *Government of India* sanctioned in October 1968 increases in dearness allowance of its employees in the pay range below Rs. 500 p.m. The revised dearness allowance comes to Rs. 71 for pay below Rs. 110 and goes up to Rs. 164 for employees in the pay range Rs. 450-499. Some of the State Governments have also revised the rate of dearness allowance admissible to their employees, *e.g.*, Andhra Pradesh, Gujarat, Haryana, Kerala, Punjab, Uttar Pradesh, and West Bengal.

The Government of *Jammu and Kashmir* has revised the pay-scales of various categories of police personnel up to the rank of Deputy Inspector-General with retrospective effect from November 1, 1967. The pay scale of the police and anti-corruption constables in the State (other than those belonging to Special Police) has been up-graded from Rs. 65—100 to Rs. 80—150.

Under the provisions of the *Kerala* Public Services Act 1968, which came into force from September 17, 1968, all the service rules relating to recruitment and conditions of service of Government employees will henceforth be laid before the Legislative Assembly for its scrutiny and ratification. Until now these rules were framed by executive orders, as permissible under the proviso to Article 309 of the Constitution.

The *Kerala* Government has constituted a one-man Commission to consider the revision of pay scales and rationalization of the service conditions of the employees of the six Government-owned companies in the State.

The *Punjab* Government has amended the Government Employees

(Conduct) Rules of 1966 to give protection to its employees against oral orders by Ministers or officers. According to this amendment, no action will be initiated against any Government employee for not carrying out oral instructions of his superior officer relating to individual cases of postings and transfers, sanction of loans, permits or quotas, etc. The *Punjab* Subordinate Services Selection Board was abolished in September 1968, as it was not functioning satisfactorily. The Punjab Administrative Reforms Commission had also recommended its abolition early in 1966.

The age of retirement of the *Orissa* State Government servants, excluding the Class IV servants, was reduced to 55 from 58 years, with effect from August 1, 1968. No extension of service shall be granted to any Government servant beyond the age of compulsory retirement. Re-employment of a retired Government servant will not be made except with the approval of the Cabinet. The State Government has set up common cadre for personnel of Cooperative Marketing Societies and the State Cooperative Marketing Federation.

The Government of *Madras* has taken steps to improve on-the-job training of the Assistant Collectors. Their training will henceforth also include Commercial Taxes and Transport Departments, Office of Commissioner of Labour, Office of Board of Revenue, and the State Secretariat. The total period of training will, however, remain 54 weeks, as at present. Further, the District Magistrate (Judicial) will fix time for the Assistant-Collector Trainees to sit in the Court at least for one day in a month and for about two or three hours on each such day.

In *Madhya Pradesh*, the Government has allowed the acceptance of the bonus declared under the Payment of Bonus Act 1965 by Government servants on deputation to public sector undertakings and drawing pay not exceeding Rs. 1,600 p.m. in the prescribed pay scales for the posts. They will also be able to accept *ex-gratia* bonus or awards.

The Government of *Maharashtra* has instituted an enquiry into the size of its existing personnel both of general administration and development administration. The purpose is to assess the excess or surplus in the existing staff strength in relation to the needed minimum and to recommend reduction in size, consistent with efficiency and effectiveness, and without causing undue personal hardship.

The number of public holidays has been cut down in *Maharashtra* from 24 in 1968 to 9 in 1969. In addition, ten days will be observed as half working days. The employees will also be permitted, subject to the exigencies of Government work, to avail themselves of a maximum of four holidays on festival occasions at their option. The second Saturday of every month will be a full holiday, with rest of the Saturdays remaining as full working days. This, however, does not apply to the Treasuries which will continue to observe the existing office hours on all Saturdays.

In *Rajasthan*, the one-man Pay Commission, comprising *Shri J. S. Ranawat*, former Chief Justice of the State High Court, has recommended a minimum wage of Rs. 125; abolition of efficiency bars, special bars and running scales: limiting the maximum span of the pay scale to 18 years, and grant of incentives in the form of certificates and incentive

wage for meritorious service or for high sense of duty or for exceptional good work.

(III) Vigilance

An amendment made in December 1968 to the *Assam* Pension Rules empowers the Government to reserve the right of withholding or withdrawing a pension or any part of it, whether permanently or for a specified period, and to order the recovery from a pension of the whole or part of any pecuniary loss caused to Government, if in a departmental or judicial proceeding, the pensioner is found guilty of grave misconduct or negligence of duty during the period of his service, including services rendered during re-employment after retirement.

An Ordinance issued by the State Government to amend the *Jammu and Kashmir* Government Servant's Prevention of Corruption (Commission) Act, 1962, provides, among others, that henceforth any action in the bona fide performance of duties by a Government servant which contravenes rules, regulations or orders of any competent authority, and results in pecuniary advantage to any person will not constitute corruption.

The *Madhya Pradesh* Jaanch Ayukta (Lok Vyakti Avam Lok Sevaki Adhyadesh) Ordinance, issued in October 1968, authorises the State Government to appoint an Inquiry Commissioner to probe allegations against ministers, members of the legislature, and high-ranking officials. The Commissioner, who will hold office for a term of five years, will be of the status of a Supreme Court Judge. He will entertain complaints from any persons, supported by an affidavit and a security deposit in cash. The Ordinance also provides for prosecution of those who maliciously or falsely make any complaints before the Commissioner. Complaints involving an allegation of over five years old and those concerning a grievance over 12 months old will not be investigated by the Inquiry Commissioner.

In Madhya Pradesh the State vigilance machinery has been extended to the district level. Seven Assistant Vigilance Commissioners have been appointed to deal with anti-corruption and vigilance work and redress of complaints in the districts.

(IV) Financial Managament

The Union Ministry of Finance issued in October 1968 fresh orders providing for larger delegation of financial powers to Ministries, ensuring at the same time that the delegated powers are effectively utilised. Under the new scheme of enhanced delegation, the Finance Ministry will exercise its control mainly by scrutiny of the schemes etc., before inclusion in the budget and through an adequate system of reporting and test checks. However, it will be necessary to consult the Finance Ministry in cases of inadequate pre-budget scrutiny for want of sufficient supporting details. The Ministries have been given full powers of reappropriation within a Grant provided there is no diversion of funds intended from Plan schemes to non-plan activities and there is no augmentation of the total provision made for administrative expenses (*i.e.*, pay, allowances and other charges) under a particular Grant. Ministries would thus be free to reappropriate funds between the Plan schemes covered by a Grant, but in doing so, the consequences of such adjustments on the overall Plan pattern will have to be carefully

considered by them and they will have to ensure that Plan priorities are not upset.

At present a few Ministries have got Internal Financial Advisers, and in other cases officials of the Finance Ministry are available for consultation even in the delegated field. Ministries, which do not have their own internal Financial Advisers (IFAs), have accordingly been advised to appoint them. Where, in the opinion of Ministries/Departments, an IFA will not have full time work, he may be allowed additional duties. Where, however, this is not feasible, one or more Ministries will be suitably grouped and served by a common IFA. The Ministries will be free to appoint IFAs of their choice but the selected officers will be required to undergo a short course of training except in cases where an experienced officer is drawn from the Finance Ministry itself.

The scheme provides that the Internal Financial Adviser should be consulted in all cases before the exercise of delegated powers although it is open to the administrative Secretary to overrule his advice by an order in writing. In the field of delegated financial powers, the Ministries would henceforth indicate in the sanctions issued by them that the Internal Financial Adviser has been consulted. The duties of the Internal Financial Adviser have been spelt out in detail. He will, among other things: (*a*) keep himself closely associated with the formulation of schemes and important expenditure proposals from their initial stages; (*b*) watch and review the progress of expenditure against sanctioned grants through maintenance of necessary control registers and further issue timely warnings to controlling authorities where the progress of expenditure is not even; (*c*) associate himself with the evaluation of progress/performance of projects and other continuing schemes; (*d*) formulate the foreign exchange budget of the Ministry and process individual cases for release of foreign exchange; and (*e*) scrutinise proposals for re-delegation of powers to subordinate authorities.

Some of the procedural and other restrictions in regard to certain items of contingent expenditure have also been liberalised to enable the Ministries to incur expenditure thereon without having to consult the Finance Ministry.

A number of returns have been prescribed to enable the Finance Ministry to oversee the proper implementation of the scheme of delegation. The Ministries have also been advised to strengthen their Internal Work Study Units which will function directly under the Secretary. These Units will study the organization, methods and procedures for improving efficiency, propose economy in staff, and evolve standards of performance for jobs peculiar to the Ministry/Department.

In the thrid week of June 1968 the Central Government issued instructions that each Ministry/Department should make the maximum possible utilization of its limited resources. Ministries and Departments were advised to undertake: (*i*) monthly review of the progress in their activities, and (*ii*) an overview of their projected plans for the next one year and anticipate likely difficulties so that corrective action could be properly planned and initiated right from the beginning. To achieve this purpose, all Ministries/departments (except Defence) were asked to prepare performance

budget for their respective activities, with the help and advice of the Ministry of Finance. The principal responsibility for preparing the performance budget would rest on the Internal Financial Adviser of each Ministry/Department.

According to the interim recommendations of the Fifth Finance Commission, appointed by the *Government of India* in February 1968, Bihar and West Bengal who hitherto were not receiving any grants-in-aid will now be entitled to them. The Commission has proposed an increase in the grants payable to six States, namely, Andhra Pradesh, Assam, Jammu & Kashmir, Madhya Pradesh, Nagaland and Rajasthan but the grants to Kerala, Mysore, Madras, Orissa and Uttar Pradesh will continue at the existing level. The total grant-in-aid to the States is to be increased from the present Rs. 140.61 crores to Rs. 176.81 crores. Though the Commission has not recommended any increase in the States' share of Central taxes, this share is likely to rise from Rs. 454 crores in 1968-69 to Rs. 495 crores next year due to larger tax receipts. The Commission has deprecated the practice of unauthorised over-drafts by States and pointed out that the facility of ways and means advances is meant only for meeting temporary requirements and not for financing general budgetary needs. Where a State Government experiences difficulties due to unforeseen developments, it should make efforts to raise further resources or to reduce expenditure, instead of incurring unauthorised overdrafts. It should be the duty of the State Government to take immediate steps for clearing the overdraft within the period of notice issued by the Reserve Bank, failing which the Reserve Bank must proceed to stop payments. The Government of India should help the State to regain a position of budgetary balance and to achieve fiscal discipline. If a State Government, however, persists in incurring an unauthorised overdraft it would not be proper that the Central Government should clear it.

(V) *Agriculture and Local Administration*

A Central Advisory Committee for Agricultural Production with the Minister for Agriculture as its Chairman, has been set up in *Assam.*

The Government of *Jammu and Kashmir* has reorganized the existing agricultural administration. Under the new set-up, the Agricultural Production Commissioner will be incharge of Agricultural Production Programme at the State Level and the Heads of Departments of Agriculture, Animal Husbandry, Sheep Breeding and Development, Horticulture and Cooperatives will be designated as Additional Agricultural Production Commissioners. Besides, an Agricultural Production Board at the State level and Production Committees at the Divisional and the District levels the implementation of the programme will be under the supervision, guidance and control of the Joint Agricultural Production Commissioners and the Assistant Commissioner, Agricultural Production, respectively. The Principals of the two Agricultural Colleges have been redesignated as Joint Directors (Agriculture Research)-cum-Principals. The work of research in the two Divisions will be coordinated at the State level by a Joint Director of Agriculture Research attached to the Director of Agriculture.

A Consultative Committee for the Revenue Department has been constituted in *Andhra Pradesh* advising on matters regarding various enactments and their administration

by the Revenue and allied Departments (except Commercial Taxes Department for which there is a separate committee).

The Government of *Assam* has decided to set up a Directorate of Land Requisition, Acquisition and Reforms, for supervision, direction, and speedy and efficient disposal of land requisition and acquisition proceedings and land reforms measures.

The *Madhya Pradesh* Government issued on July 24 an Ordinance abolishing land revenue on agricultural holdings throughout the State with effect from July 1, 1968.

The *Maharashtra* Government has constituted a Committee to evaluate results of implementation of the various land reforms measures, such as tenancy laws, Land Ceiling Act, etc.

The Government of *Himachal Pradesh* has appointed a 22-member Local Bodies (Urban) Enquiry Committee, to study the composition, jurisdiction and functions of Municipal bodies as well as the laws governing these bodies.

The Government of *Orissa* has decided to replace Zila Parishads by District Development Adivsory Committees. A Bill to this effect has been introdued in the State Legislature.

(VI) Social Service

The *Government of India* has appointed a high-powered Committee, under the chairmanship of Shri Y. B. Chavan, Union Home Minister, to review the performance of departments concerned in the matter of recruitment of Scheduled Castes and Scheduled Tribes in the Services and posts in or under the Government of India, Union Territories and public undertakings under the control of the Central Government.

A Commission has been set up in *Andhra Pradesh* (with Shri Manohar Dass former Chief Justice of the State as Chairman) for suggesting measures for promotion of educational and economic interests of socially and educationally backward classes (other than Scheduled Castes and Scheduled Tribes). The Commission will, in particular, examine the need of reservations of seats in the educational institutions and of posts in government services, and concessions, such as scholarships.

The Government of *Assam* has decided to appoint Sub-divisional Welfare Officers for better coordination of welfare activities and implementation of schemes for the benefit of backward classes. These officers, with gazetted rank, will be responsible for successful operation of welfare schemes in their areas. Welfare Inspectors and staff at present working under B.D.O.s and other Officers will come under their control.

As one of the measures to provide employment opportunities to unemployed engineers, the Ministry of Education, *Government of India* has expanded the Apprenticeship Training Scheme. About 2,500 engineers would be attached to the irrigation and power projects for apprenticeship training. Graduate engineers will be paid an allowance of Rs.250 p.m. and diploma holders Rs. 150 p.m. for the period of training which will be for one year in the first instance, and may be extended by one more year.

The State University Commission, *Bihar*, has recently constituted a Committee, under the chairmanship of *Shri K. S. V. Raman*, I.C.S. (retd.), to enquire into working of the Universities in the State, with particular reference to the falling standards of learning, teaching, and

discipline in the University Departments and Colleges.

The Government of *Maharashtra* has constituted a State-Level Committee on National Integration. A Department of National Integration has been set up in *Uttar Pradesh* under the Chief Secretary.

The Committee on Social Science Research, headed by *Prof. V.K.R.V. Rao*, which was constituted in August 1965, has suggested that the Government should set up an Indian Council of Social Science Research to coordinate and systematically encourage research in social sciences in the country.

(*VII*) *Miscellaneous*

The Central Government have taken decisions on most of the recommendations made by the Administrative Reforms Commission (ARC) in their report on Public Sector Undertakings. The Government have not accepted the ARC recommendation for setting up of sector corporations in a industrial and manufacturing areas and for air transport, shipping, and hotels and tourism. They have all the same recognised that in certain circumstances there might be an advantage in having sector corporations. The ARC had also proposed that statutory corporation form should in general be adopted for projects in industrial and manufacturing fields. Government have accepted this recommendation only in regard to public utilities primarily meant to develop the basic infra-structure facilities. Some of the important recommendations accepted by the Government include: (*i*) no officer of the Ministry should be the chairman of a public sector undertakings; (*ii*) all directives to public enterprises should be in writing and should be mentioned in the annual report of the concerned enterprise; (*iii*) all new members appointed to the Boards should work as understudies for a period of time; (*iv*) no government official should normally serve as a part-time Director in more than two Boards; (*v*) the tenure of the Chairman and full-time functional Directors should be five years; (*vi*) salaries of persons occupying top posts in public undertakings should be linked to the nature and degree of the responsibility and not pegged to Government pay scale; and (*vii*) four or five Audit Boards on the French model should be set up to deal with specified sectors of public enterprise.

The ARC had also recommended that Government servants sent to public sector enterprises should opt out permanently for service in the public sector. Further, top management posts should be filled by Government officials on deputation only when there is no suitable alternative available. The Government have decided that Government officials seconded to public enterprises should exercise an option to stay permanently in the enterprise or revert to their parent cadre within a period of three years; and in the case of top posts this option should be exercised within one year.

The *Jammu and Kashmir* Separation of Judicial and Executive Functions Act, 1966, came into force on August 15, 1968. In *West Bengal*, the scheme of separation of the judiciary from the executive was introduced in the Presidency Town of Calcutta and the District of Hooghly in September 1968. The scheme will be extended to other districts according to a phased programme.

A Joint Committee of the two Houses, of Parliament, appointed in May 1968, has recommended the

following facilities for Members of Parliament: (*i*) an increase in daily allowance from Rs. 31 to Rs. 51, (*ii*) free furnished 'A' type flats with an airconditioned room, (*iii*) an annual allowance of Rs. 600 for water and electricity charges, (*iv*) a free telephone in the constituency, in addition to the one at Delhi with facility to make first 5,400 local calls a year free of charge and permission to make a free trunk call per week to their constituency or to their usual place of residence, (*v*) free postage up to a limit of Rs. 1,200 per annum, (*vi*) a stenographer's allowance of Rs. 100 a month; (*vii*) exemption from 'P' form requirement, (*viii*) special passports to avoid undue detention and inconvenience at the customs posts, (*ix*) enhancement of foreign exchange allowance from Rs. 6,000 to Rs. 9,000 for journeys abroad, (*x*) free transport of their bodies in case of death by commercial or chartered flight, (*xi*) free medical treatment in any medical institution in the country which is run or aided by the Government of India or the State Governments, and (*xii*) free passes for first class rail travel, for travel in State and private buses in the members' native states and for four air trips during the long and two during the short sessions of Parliament.

Under the new rules, Speaker, Deputy Speaker, Chairman, Ministers, Deputy Ministers, and Parliamentary Secretaries in *Uttar Pradesh* are required to vacate their official residences within 15 days of their relinquishing the offices. However, if by the order of a competent authority, an occupant is permitted to retain the residence for a specified period, he will have to pay standard rent in advance on the first of every month. Maintenance of lawns, payment of municipal taxes, besides the charges on electricity, water, conservancy, etc., will be his own responsibility.

DIGEST OF REPORTS

INDIA, REPORT OF THE ADMINISTRATIVE REFORMS COMMISSION ON THE MACHINERY OF THE GOVERNMENT OF INDIA AND ITS PROCEDURES OF WORK, New Delhi, Government of India, 1968, pp. 117, Rs. 2.35.

I. *Introduction*

In its assessment of the existing machinery of Government and formulation of the proposals for its reform, the Commission has borne in mind "the new role which is expected of the Administration under the present conditions of growing enlightenment and rising expectations of the people". The Administration "must answer to the needs of the people and secure public response and cooperation". The Commission adds, "The Administration is also conditioned by the stage of social, economic and political development of the country and affected by the attitudes and motivations of those who run it. Viewing the problem in this perspective we (the Administrative Reforms Commission) found it necessary to take a realistic view of things and strike a balance between the needs of continuity and those of change. We have suggested a radical change of the existing structures or methods of work only where they have become totally outmoded. In other cases, we have tried to improve upon them. Even such balanced proposals for reorganization are likely to meet with resistance. Administrative practices and traditions which are no longer suited to new challenges of a fast developing country must be overhauled and even weeded out. We need shed no tears over them."

RECOMMENDATIONS

II. *Machinery at Supra-Ministry Levels*

(1)(*i*)(*a*) In order that the Cabinet may be able to provide united leadership and overall direction, take policy decisions with expedition, oversee in a consistent manner the implementation of policies and programmes and in general to guide the administration on effective lines, it will have to be small in size and homogeneous in composition. The number of Ministers in the Union Cabinet should be 16, including the Prime Minister.

(*b*) Each Department/subject should be represented in the Cabinet by one or the other Cabinet Minister. There should not be any Ministers of State with independent charge of a department or departments.

(*c*) The size of the Council of Ministers and the Cabinet should be determined on a rational basis related to the needs of administration. The strength of the Council of Ministers should normally be 40. It may be increased in special circumstances but should in no case exceed 45.

(*ii*) The three-tier system in the ministerial set-up, comprising Cabinet Ministers, Ministers of State and Deputy Ministers, may continue. The office of Parliamentary Secretary, which has now fallen into desuetude need not be revived.

(*iii*) The functions and responsibilities of Ministers of State and Deputy Ministers and the powers which they may exercise within a Department or a Ministry should be clearly specified in the appropriate rules or orders.

(*iv*) The Prime Minister should consult the Cabinet Minister concerned before assigning a particular Minister of State or Deputy Minister to his Ministry.

(*v*) No more than two Ministers should be involved in the decision-making process in any Ministry.

(2) (*i*) The Prime Minister should be given institutional support, in the form of Deputy Prime Minister, for ensuring efficient and effective functioning of the governmental machinery. The Deputy Prime Minister should have the charge, in addition to his own portfolio, of such subjects and *ad hoc* assignments as the Prime Minister considers appropriate. The office of the Deputy Prime Minister should be recognized in the Transaction of Business Rules.

(*ii*) The Prime Minister should continue to be associated with key-appointments. He should periodically, say, once a month, meet, individually or in groups, the Secretaries of important Departments.

(*iii*) The Prime Minister should not ordinarily be in charge of a Ministry. His time should mostly be available for guidance, coordination and supervision. (In his note of dissent, one of the Members of the Commission, Shri H. V. Kamath, recommends that "the Prime Minister should be left free to have his own choice in the matter; to hold or not to hold a portfolio should be left entirely to his own discretion and judgment".)

(3) (*i*) The existing Standing Cabinet Committee should be reconstituted into 11 committees, one each for Defence; Foreign Affairs; Economic Affairs; Parliamentary Affairs and Public Relations; Food and Rural Development; Transport, Tourism and Communications; Social Services (including Social Welfare and Family Planning); Commerce, Industry and Science; Internal Affairs (including Centre-State Relationships); Administration; and Appointments. The Committees should between them cover all important activities of Government. The membership of each Committee should not normally exceed six and should include all Ministers in charge of subjects covered by the Committee.

(*ii*) Every Standing Committee of Cabinet should be supported by a Committee of Secretaries which will consider in advance all matters to be taken up in the Cabinet Committee.

(4) (*i*) The role of the Cabinet Secretary should not be limited to that of a coordinator. He should also act as the principal staff adviser of the Prime Minister, the Cabinet and the Cabinet Committees on important policy matters.

(*ii*) The Cabinet Secretary should ordinarily have a tenure of three to four years.

III. *Relations between Ministers, Civil Servants and Parliament*

(5) There is a growing feeling among the public that many of the Ministers lack interest in ensuring efficient administration and do not possess the acumen needed for the purpose. The Prime Minister should meet all Ministers individually or in group every month to discuss progress in implementation of policies and programmes and measures for improving the administrative efficiency. This should help promote a more active interest on the part of individual Ministers in improving

the implementation process and the management of their Ministries.

(6) (*i*) In selecting his colleagues, the Prime Minister should give special attention to considerations of political stature, personal integrity, intellectual ability and capacity for taking decisions and sustained application to work.

(*ii*) In assigning a portfolio, due regard should be paid to the aptitude and capabilities of an incumbent.

(*iii*) A Minister should take a holiday of at least two weeks in a year which he should devote to reading, reflections and relaxation.

(7) The initial and annual statements of their financial assets and liabilities to be furnished by the Ministers under the Code of Conduct should be made available to the Lokpal. If any Minister fails to furnish such a statement the fact should be mentioned by the Lokpal in his annual report to Parliament. Suitable provision to this effect may be made in the Lokpal Bill which is now before Parliament. (Shri Kamath, in his note of dissent, adds that the Lokpal should be invested with the power to bring to the notice of Parliament not only the failure of a Minister including the Prime Minister to send him such a statement, but also those cases where he is satisfied that the statement before him is not quite correct or adequate.)

(8) (*i*) All major decisions, with reasons therefor, should be briefly reduced to writing, particularly where the policy of Government is not clear or where some important departure from the policy is involved or where the Minister differs from the Secretary on an important issue.

(*ii*) There is a disinclination among quite a number of Ministers to welcome frank and impartial advice from the Secretary or his aides and an inclination to judge him by his willingness to do what they wish him to do. This has also bred a tendency on the part of an increasing number of civil servants to attempt to anticipate the Minister's wishes and proffer their advice accordingly. A further development of this unhealthy trend is the emergence of personal affiliations, leading to an element of 'politicalisation' among the civil servants. Ministers should try to develop a climate of fearlessness and fairplay among the senior officers and encourage them to give frank and impartial advice. They should give the Secretaries the necessary guidance in carrying out their policies and orders.

(*iii*) The Prime Minister should, with the assistance of the Cabinet Secretary and the central personnel agency, take special interest to arrest the growth of unhealthy personal affiliations to individual Ministers among civil servants.

(*iv*) Minister should not intervene in the day-to-day administration except in cases of grave injustice, serious default or maladministration on the part of civil servants. Where a citizen's request or complaint calls for revision of a rule, procedure or policy, it should be met by effecting such revision, and not by relaxing the rules to accommodate an individual case.

(*v*) Secretaries and other civil servants need to show greater sensitivity to and a better appreciation of the Minister's difficulties, and to discriminate between minor adjustments on the one hand, and acts of political and other forms of accommodation compromising basic principles or likely to have substantial or lasting repercussions on efficiency and morale of the services, on the other. The official relationship of the Secretary to the Minister should be one of loyalty and that of the Minister to the Secretary one of confidence.

(9) (*i*) A Minister should be held accountable: (*a*) when he fails to formulate policy in respect of a major problem or when the policy formulated is found erroneous or suffers from major weaknesses; (*b*) when he neglects to pay personal attention on important issues other than those of policy where such attention is expected of him or wrongly handles such issues; (*c*) when there is a general or major mismanagement or maladministration in his Department/Ministry; and (*d*) when he commits some act of impropriety.

(*ii*) A Minister should not be held accountable for an act of a civil servant which is: (*a*) in express violation of a directive or order issued by him; or (*b*) by implication prohibited by policies already approved by him; or (*c*) is mala fide.

(*iii*) For reinforcing the priciple of collective responsibility, it is essential that: (*a*) the Cabinet should be agreed on fundamentals and all important issues are discussed and settled by the Cabinet; (*b*) a Minister does not announce a new policy or a major departure from current policy with the approval of the Cabinet; and (*c*) a Minister should not ordinarily speak or make announcements on matters not within his portfolio. However, if the circumstances so require of him, he must get himself properly briefed by the Minister concerned.

(*iv*) Standing Committees of Parliament may be set up for reviewing the work of Departments grouped in five sectors, namely, Social Services, Economic Administration, Defence and Foreign Affairs, Food and Rural Development and Transport. These Committees should function on the lines of the Committee or Public Undertakings and without taking over the functions of the Public Accounts Committee. To begin with only two of the Committees need be set up. As the Estimates Committee is now doing for each Department the type of review which is proposed for the sectoral committees, it will be necessary to remove from the purview of the Estimates Committee the Departments which fall within the jurisdiction of the sectoral committee. Where a Parliamentary Committee for a Department exists, it should not be necessary to have an Informal Consultative Committee.

(*v*) There appears to be among Members of Parliament a general distrust of civil servants and a feeling that the Government machinery is invariably inefficient. Such an attitude tends to demoralise civil servants. A balanced view should be taken of the working of a Government Department. Stray cases of bona fide default or shortcomings should be viewed against the background of overall achievement. (Shri Kamath, in his note of dissent, has taken the stand that "even where there are positive achievements to the credit of a department, its shortcomings and misdoings, whatever they may be, should be fully and ruthlessly exposed in the interest of administrative efficiency and integrity, while complimenting the Department for its good deeds".)

IV. *Ministries and Departments*

(10) The role of the Central Ministries and Departments in subjects falling within the State List should be largely that of a pioneer, guide, disseminater of information, overall planner and evaluator. An analysis should be made in the light of these criteria of the items of work now handled by the Central agencies and such items as do not fulfil the criteria should be transferred to the States.

(11) (*i*) Non-secretariat organizations engaged primarily in planning

implementation, coordination and review of a single development programme or several allied programmes, covering a substantial area of the activities of the Ministry and having a direct bearing on policy-making should be integrated with the Secretariat of the concerned Ministry. Such amalgamation, is especially significant in the case of activities of scientific and technical character and activities which call for a high degree of functional specialization.

(*ii*) The heads of non-secretariat organizations which are integrated with the Secretariat should function as the principal advisers to the Government in the respective areas and should enjoy a status appropriate to the nature of their duties and responsibilities. They may retain their present designations. It is not necessary to counter on them a formal *ex-officio* Secretariat Status.

(*iii*) In all other cases the present distinction between policy-making and executive organizations may be continued. Such distinction is vital for protecting the operational autonomy of the regulatory executive agencies and such developmental executive organizations as are mostly engaged in promotional activities, provision of a service or production and supply of a commodity.

(*iv*) Executive functions at present performed by an administrative Ministry or Department which do not have a close bearing on policy-making should be transferred to an appropriate, existing non-secretariat agency or to a new executive organization specially created for the purpose, provided that the volume of the work justifies its creation.

(*v*) Policy position in Departments and Ministries dealing with scientific and technical matters or with functions of highly specialized character should include persons having relevant specialized experience or expertise.

(12) (*i*) In non-staff Ministries other than those with board-type of top management, there should be set up three "staff" offices, namely: (*a*) an office of planning and policy; (*b*) a chief personnel office, and (*c*) a chief finance office. An administrative Department with a heavy charge or with functions which have no close affinity with the work of other department(s) may have a separate planning and policy office.

(*ii*) The office of planning and policy should include the planning cell recommended in the ARC report on Machinery for Planning. This office should continuously be engaged in formulating long-term policies, carrying out policy studies and evolving a series of well-articulated policy statements. It should also deal with the parliamentary work of the Department/Ministry.

(*iii*) The chief personnel office in a Ministry should serve as a focal point for the formulation 'and co-ordination of overall personnel policies, initiating measures for promoting personnel development and matters concerning discipline, appeals, memorials and service rules of cadres administered by the Ministry. It may also look after office management, O. & M. and general administration.

(*iv*) Each of the three "staff" offices should be manned by staff having specialized knowledge and experience. The head of each "staff" office should generally be of the rank of a Joint Secretary though in some cases he may even be a Deputy Secretary or an Additional Secretary depending on the quantum of work.

(*v*) In addition to the three staff offices, each Ministry should have a public relations office or unit.

(*vi*) The heads of the "substantive work" wings may deal directly with the chiefs of the three "staff" offices, as also with the Secretary and Minister on matters of technical or operational policy. Proposals having a bearing on long-term policy should, however, be processed through planning and policy office.

(13) (*i*) Distribution of work between the wings of a Ministry/ Administrative Department and within the divisions of a Secretariat wing should be based on considerations of rationality, manageability of change and unity of command.

(*ii*) Each secretariat wing should have its separate identity and its budget should appear as a distinct unit in the budget of the Ministry. Its head should enjoy adequate administrative and financial powers.

(*iii*) The head of the wing should have the primary responsibility for good administration within the wing, effective supervision and control of staff and maintenance of high standards of discipline and conduct.

(*iv*) The head of the wing should have considerable say in formulation of the wing budget, creation of posts, subject to budget provision, spending of budgeted funds and appointment of personnel to the wing and their transfer therefrom. He should also have the necessary powers for effective day-to-day personnel management in the wing, *e.g.*, powers to sponsor staff for training, to grant honorarium, to impose minor penalties and to fill short-term leave vacancies.

(14) (*i*) (*a*) There should be only two levels of consideration below the Minister, namely: (*i*) Under Secretary/Deputy Secretary, and (*ii*) Joint Secretary/Additional Secretary/Secretary. Work should be assigned to each of these two levels on the lines of "desk officer" system. Each level should be required and empowered to dispose of a substantial amount of work on its own and will be given the necessary staff assistance.

(*b*) The staffing pattern within a wing may be flexible to facilitate the employment of officers of various grades.

(*c*) The duties and requirements of various jobs in the Secretariat at each of the two levels should be defined clearly and in detail on the basis of scientific analysis of work content.

(*ii*) For smooth and effective working of the proposed "desk officer" system, the following measures will be necessary:

(*a*) introduction of a functional of a file index;

(*b*) maintenance of guard files or card indices which will contain all important precedents;

(*c*) adequate provision for "leave" reserve; and

(*d*) adequate stenographic and clerical aids.

(*iii*) (*a*) There should be set up in each Ministry or major administrative Department a Policy Advisory Committee to consider all important issues of long-term policy and to inject thinking inputs from different areas of specialization into problem solving. The Committee should be headed by the Secretary of the Ministry and should include the heads of the three staff offices (of planning and policy, finance and personnel) and heads of important substantive work wings (including those of the non-secretariat organizations integrated with the Ministry/ Administrative Department). As and when necessary, the heads of governing bodies of important research

and training institutions and boards and corporations outside the Government may be co-opted as members of the Policy Advisory Committee for such items of work as are of interest to them.

(*iii*) (*b*) Self-contained papers or memoranda, setting out problems, their various alternative solutions, merits and demerits of each alternative, etc., should be prepared for consideration by the Committee, and the decision arrived at should be duly recorded in minutes.

V. *Administrative Reforms—Formulation and Implementation*

(15) (*i*) The Department of Administrative Reforms should confine itself mainly to: (*a*) studies on administrative reforms of a foundational character, (*b*) building up O. & M. expertise in Ministries/Departments and training the personnel of their O. & M. units in modern techniques of management, and (*c*) advice and guidance to these O. & M. units in effecting adminitrative improvements and reforms.

(*ii*) The existing O. & M. unit in different Ministries/Departments should be reactivised.

(*iii*) A special cell on 'perspective reforms' should be set up in the central reforms agency.

(*iv*) In its methods of work, staffing pattern and organizational structure the central reforms agency should be 'research-oriented'.

(*v*) The Department of Administrative Reforms should be placed directly under the Deputy Prime Minister.

(*vi*) (*a*) It is necessary to develop strong, autonomous professional institutions which will promote original thinking on administrative reforms and innovations. Taking into account also the vast and diverse range of administrative reforms needed, external professional organizations are more favourably placed than internal O. & M. agencies for undertaking studies and investigations of the following types: (*i*) Streamlining the procedure and practices at points where private trade and industry and ordinary citizens come into contact with administration. (*ii*) Improvement of the machinery for redress of public grievances and for public relations. (*iii*) Studies in areas wherein it is important to inspire the confidence of the public in the objectivity of the findings. (*iv*) Studies on improvement of morale, motivation and attitude of public officials. (*v*) Problems of inter-action between the political and administrative processes which have an impact on the tone of the administration. (*vi*) Studies on the applicabilities of foreign administrative techniques and systems to local conditions in India. (*vii*) Problems of administrative reorganization and improvement in semi-government organizations and autonomous public sector undertakings. Studies on administrative reforms and improvements of the types mentioned above can be entrusted, with advantage, to autonomous professional institutions like the Indian Institute of Public Administration, Institute of Applied Manpower Research, Administrative Staff College (Hyderabad), and Institutes of Management at Calcutta and Ahmedabad and selected Universities.

(*b*) The Indian Institute of Public Administration has more recently undertaken some studies on contemporary problems of administration. It has serviced the Commission's Study Team on the Machinery for Planning and provided the Commission with background material on several problems of administration,

prepared on the basis of special studies undertaken by it for the purpose. We are, however, not satisfied with the present limited role of the Institute in the field of administrative reforms and improvements. The Institute needs to develop specialized competence of a high order in various fields and tools of public administration. For development of such competence it would obviously need adequate support from Government.

(*vii*) There should be set up a council on administrative reforms to advise the central reforms agency on the planning of its programme of work, to review progress, to help induct fresh thinking into its working, and to coordinate the activities of the different professional organizations engaged in research on problems of public management. The Council should consist of eight members, drawn from Members of Parliament, experienced administrators and eminent scholars interested in public administration. It may be presided over by the Deputy Prime Minister.

(16) (*i*) The responsibility for overseeing the implementation of the recommendations of the Administrative Reforms Commission should rest with a senior Cabinet Minister enjoying high political prestige and possessing wide administrative experience, *i.e.*, the Deputy Prime Minister.

(*ii*) Before the Cabinet takes up a report of the Commission, it should be considered by the Cabinet Committee on Administration which should consist of the Prime Minister (Chairman), the Deputy Prime Mninister (if he holds a portfolio other than Finance). Finance Minister and Minister of Home Affairs.

(*iii*) (*a*) A Special Cell should be set up in the Cabinet Secretariat under the over-all charge of the Deputy Prime Minister and the general supervision of the Cabinet Secretary, to process the Commission's reports. It should also assist the Deputy Prime Minister in overseeing the implementation of the accepted recommendations.

(*b*) After the Ministry/Ministries have communicated their views , the Special Cell in the Cabinet Secretariat should, under the direction of the Deputy Prime Minister, prepare the necessary papers for the Cabinet Committee on Administration.

(*c*) Within a Ministry/Department the Commission's recommendations should be dealt with at a high level.

(*iv*) Within three months of the receipt of a report of the Commission, Government should place before Parliament a White Paper indicating their decisions on the basic recommendations contained in that report. (In his note of dissent, Shri Kamath has suggested that all decisions of Government on the recommendations of the ARC should be subject to approval, disapproval or modification by Parliament. He has further proposed the setting up in every State and Union Territory of a non-official, non-partisan people's committee or citizens' committee for awakening and strengthening public opinion in support of the implementation of ARC's recommendations.)

(*v*) There should be set up an all-party parliamentary committee of both Houses whose functions will be to see that the recommendations accepted by the Government are implemented expeditiously.

VI. *A Central Personnel Agency*

(17) (*i*) A separate Department of Personnel should be set up, with

a full Secretary in charge who should work under the general guidance of the Cabinet Secretary.

(*ii*) This Department should have the following functions and responsibilities :

(*a*) formulation of personnel policies on all matters common to the Central and All-India Services, and inspection and review of their implementation;

(*b*) talent hunting, development of personnel for "senior management" and processing of appointments to senior posts;

(*c*) manpower planning, training and career development;

(*d*) foreign assistance programme in personnel administration;

(*e*) research in personnel administration;

(*f*) discipline and welfare of staff and machinery for redress of their grievances;

(*g*) liaison with the Union Public Service Commission, State Governments, Professional Institutions, etc.; and

(*h*) staffing of the middle-level positions in the Central Secretariat (of Under Secretaries and Deputy Secretaries) with the assistance of and on the advice of the Establishment Board.

(*iii*) (*a*) The Department of Personnel should not itself administer any service cadre. The administrative control of different service cadres should vest with individual Ministries and Departments concerned.

(*b*) The administration of the IAS, IPS and the centralized aspects of the Central Secretariat Service should be the responsibility of the Ministry of Home Affairs.

(*c*) The management of the Indian Economic Service and of the Indian Statistical Service should be transferred to the Department of Economic Affairs.

(*iv*) The Cabinet Secretary should, by convention, be regarded as Secretary-General of the new Department of Personnel, without being formally so designated. He should be actively involved in the development of and selection for "senior management" but not in appointments below that level.

(*v*) The new Department of Personnel should be placed directly under the Prime Minister. (Dissenting with this recommendation, Shri Kamath has pointed out that "in India with its federal democratic set-up, the Home Minister has to play a key role insofar as Centre-State relationships, and the millions of personnel employed at the Centre and in the States are concerned. The assignment of the Department of Personnel to the portfolio of the Prime Minister will probably weaken the position of the Home Minister without, in any way, adding to the strength of the Prime Minister's." Shri Kamath favours the location of the new Department of Personnel in the Ministry of Home Affairs and adds that "the placement of the Department, with a separate Secretary, in the Home Ministry rather than under the Prime Minister, will also obviate the possibility of any inroad in the position of the Cabinet Secretary as the head of the Civil Service".)

(*vi*) An Advisory Council on Personnel Administration may be set up to act as a feederline of new ideas and thinking on personnel administration. It should be composed of official and non-official experts in different aspects of personnel management, drawn from all over the country.

(*vii*) The Establishment Board should be located in the new Department of Personnel and the Secretary of this Department should be its Chairman. The Board should deal with appointments only up to and including Deputy Secretaries.

VII. *Grouping of Subjects*

(18) (*i*) (*A*) Ministries and Departments in the Government of India as presently constituted should be reorganized into Ministries and Departments as follows:

Ministries	Departments
Ministries without departments	
1. Home Affairs	
2. External Affairs	
3. Irrigation and Power	
4. Railways	
5. Labour and Employment	
6. Defence	(1) Defence. (2) Defence Production. (3) Defence Supply.
7. Finance	(1) Economic Affairs (including Statistics and Insurance). (2) Revenue & Expenditure. (3) Company Affairs.
8. Works, Housing & Supply	(1) Works & Housing. (2) Supply.
9. Commerce & Industry	(1) Commerce. (2) Industrial Development.
10. Metals, Chemicals & Oil	(1) Iron & Steel. (2) Mines & Metals. (3) Petroleum. (4) Chemicals.
11. Transport & Tourism	(1) Transport & Shipping. (2) Tourism & Civil Aviation.
12. Communications, Information & Broadcasting	(1) Communications. (2) Information & Broadcasting.
13. Food & Rural Development	(1) Food. (2) Agriculture. (3) Community Development & Cooperation.
14. Education, Health & Social Welfare	(1) Education. (2) Health & Urban Development. (3) Family Planning. (4) Social Welfare (including Rehabilitation).
15. Law & Justice	(1) Legal Affairs & Justice. (2) Legislative Department.

Ministries	Departments
Others	
16. Prime Minister	(1) Department of Personnel. (2) Department of Atomic Energy. Planning as a Portfolio (without any department).
The Cabinet Minister who is also the Deputy Prime Minister.	Department of Administrative Reforms.
Leader of the House (Lok Sabha).	Department of Parliamentary Affairs. Cabinet Affairs.

(*B*) In particular:

(*i*) As recommended earlier:

(*a*) A new Department of Personnel should be created under the Prime Minister's charge with functions as indicated in recommendation 17(*ii*) above.

(*b*) The Department of Administrative Reforms should be under the charge of the Deputy Prime Minister.

(*ii*) The Research and Development Organization of the Ministry of Defence should be located in the main Ministry and not in one of its Departments.

(*iii*) The Department of Revenue and Insurance should be reorganized as the Department of Revenue and Expenditure.

(*iv*) (*a*) "Insurance" should be transferred to the Department of Economic Affairs.

(*b*) The present functions of the Department of Statistics in the Cabinet Secretariat should be transferred to the Department of Economic Affairs in the Ministry of Finance.

(*c*) The Department of Economic Affairs should be responsible for coordination of all activities of Government in the economic field. The Commission for Prices, Cost and Tariff (the establishment of which has been recommended in the report on Economic Administration—see digest at pp. 1033-42) should be administratively related to the Department of Economic Affairs.

(*v*) The Department of Company Affairs should be shifted from the Ministry of Industrial Development and Company Affairs to the Ministry of Finance.

(*vi*) External Publicity should be transferred to the Department of Information and Broadcasting (now a Ministry).

(*vii*) (*a*) The combined Ministry of Commerce and Industry should have two Departments: (*a*) Department of Commerce, and (*b*) Department of Industrial Development.

(*b*) The Council of Scientific and Industrial Research should be placed in the combined Ministry of Commerce and Industry in order to ensure a continuous dialogue between CSIR laboratories and their user industries.

(*c*) The Survey of India should be located in the Ministry of Irrigation and Power which accounts for about 30 per cent of its work. (Shri Kamath, however, feels that the cartography-oriented Survey of

India should continue to be with the Education Ministry.)

(*viii*) The Advisory Committee to the Cabinet on Science and Technology should serve as the central point for advising the Cabinet on science policy, setting priorities and planning and review of scientific and technological research. It should have a permanent secretariat to service it.

(*ix*) The Ministry of Transport and Shipping and the Ministry of Tourism and Civil Aviation should be combined into a single Ministry of Transport and Tourism.

(*x*) "Communications" should be transferred to the Ministry of Information and Broadcasting to form the Ministry of Communications, Information and Broadcasting.

(*xi*) The charge of the Department of Parliamentary Affairs should be held by a Cabinet Minister who is the Leader of the House (Lok Sabha).

(*xii*) A Directorate of Construction should be set up in the Department of Works and Housing.

(*xiii*) The Ministry of Steel, Mines and Metals and the Ministry of Petroleum and Chemicals should be integrated into a single Ministry of Metals, Chemicals and Oil.

(*xiv*) The Department of Community Development and the Department of Cooperation should be merged together to form the Department of Community Development and Cooperation.

(*xv*) The Department of Food, the Department of Agriculture and the combined new Department of Community Development and Cooperation should constitute together the Ministry of Food and Rural Development. (Shri H. V. Kamath, in his note of dissent, has recommended that Irrigation and Power should also be included in the proposed Ministry.)

(*xvi*) (*a*) The Department of Rehabilitation should be merged into the Department of Social Welfare. (Shri Kamath, however, is opposed to the merger of "rehabilitation" into the Department of Social Welfare, and feels that it should continue to be looked after by the Ministry of Labour and Employment.)

(*b*) The Ministry of Health, Family Planning and Urban Development, Department of Social Welfare and Ministry of Education should be amalgamated to form a new Ministry of Education, Health and Social Welfare.

(*xvii*) A Bureau of Youth Services should be set up in the Ministry of Education, Health and Social Welfare.

(*xviii*) The present functions of the Ministry of Home Affairs in judicial administration should be transferred to the Department of Legal Affairs in the Ministry of Law and this Ministry should be re-designated as Ministry of Law and Justice.

(In his note of dissent, Shri H. V. Kamath has pointed out that the haphazard development of Science and Technology in the country has been mainly due to the failure of the Government in setting up a strong and effective organization and machinery for directing and coordinating all activity in this field. He is of the view that there should be a separate Ministry of Science and Technology, and if necessary, the subject of "Power" may be transferred to this Ministry. Shri Kamath has also recommended that the Ministry of Finance may be re-designated as "Ministry of Finance and Economic Affairs" in order to focus attention on the work of the Ministry concerning positive and

constructive aspects of economic development.)

(*xix*) Responsibility for over-all coordination within a Ministry which has more than one Department/Secretary, should be specifically assigned to one of the Departments/Secretaries most appropriate for this purpose.

INDIA, REPORT OF THE ADMINISTRATIVE REFORMS COMMISSION ON ECONOMIC ADMINISTRATION, Administrative Reforms Commission, Government of India, New Delhi, 1968, p. 98, Rs. 2.50.

I. *Introduction* (*the overall approach*)

Measures for regulating economic activities are inescapable in a planned economy. However controls have to be divised to serve a particular purpose and do not have to be imposed for their own sake. Too much of control-either through the regulation of a controlled activity down to its minutest detail or through the extension of control to too many activities and things—is apt to create fresh problems without satisfactorily solving those for which it is intended. Controls tend to put a strain on the administrative machinery, add to its cost, make for procedural delays and often open out possibilities for favouritism and corruption.

Lack of concreteness and clarity in the terms spelling out Government's policies create uncertainty in people's minds and lead to delay in determining what would be feasible in a given situation. Along with a clear enunciation of policy relating to development and regulation, Government should also provide guidelines for achieving the objectives of the developmental and regulatory measures. Wide publicity should be given to Government's statement of policy and the guidelines framed.

The steep rise in the price level in the last few years is a matter of grave concern, because apart from the adverse impact on the consumer, a continuous upward price movement throws into disarray programmes of planned development. The trend towards rising costs has to be arrested and reversed. Administrative arrangements have to be made for facilitating an integrated approach to evolve a proper structure of inter-related prices, and to keep it under constant watch and within the means of the average consumer.

Our (ARC's) approach in this report has been to concentrate on administrative strategy within the broad frame provided by the substantive economic policies enunciated by Government from time to time and accepted by Parliament; the acceptance of the concept of a mixed economy and the needs of planned economic development. In other words, we have not gone into questions of policy except to a limited extent when we had to deal with situations in which a review of policy was necessitated by considerations of administrative strategy.

RECOMMENDATIONS

II. *Strategy for Economic Development*

(1) The Prime Minister should keep herself informed about the overall progress in the implementation of the Plan with a view to ensuring that all the sectors of the economy move forward in unison with the Plan and to issue necessary directives.

(2) As soon as the Plan is formulated and approved, each Ministry or Department concerned should frame operational equivalents of the Plan proposals. On this basis a general paper covering the entire field of Central and State developmental activities should be prepared and circulated to all concerned. The paper should contain guidelines for development in high priority areas and should be in the form of a policy-cum-operational statement for the short-term.

(3) The broad strategy for industrial growth should aim at harnessing the high potential already created in the industrial sector and the technological know-how available and in ending the shortest possible time the present state of abject dependence on foreign aid.

(4) The organizational structure of public sector enterprises should be strengthened by creating technically competent and high-powered sectoral corporations.

(5) All industries should be divided into three categories:

(*a*) A high priority category comprising a small number of industries which would involve a large capital investment and/or a considerable amount of foreign exchange. The industries in this category should be licensed. The license should be given only after the earmarking of inputs has been completed.

(*b*) Industries which require foreign exchange and/or assistance in the matter of other inputs and are not included in the category (*a*). They should be graded according to a scheme of priorities. While they will not require to be licensed, allocation of foreign exchange and other inputs will be in accordance with the schedule of priorities.

(*c*) All other industries which do not require foreign exchange and which are not entitled to any priority consideration in the matter of allocation of other inputs. These industries will not require to be licensed.

III. *The Role of Government in Industrial Development*

(6) The subjects of Commerce and Industry should be combined into a single Ministry of Commerce and Industry. This Ministry should be responsible for formulating broad policies and strategy for industrial and commercial development in the public as well as private sectors. It should, however, not be in administrative control of any public sector industrial undertakings.

(7) (*i*) The work of the DGTD should be divided among a number of Directorates, each Directorate being responsible for advisory service to a group of related industries. Above the level of Directors, there should be three or four Deputy Directors-General, each of them having under him a few Directors dealing with broadly related subjects.

(*ii*) In Ministries which have to deal with sizable areas of industrial development or one or more major industries, there should be a complement of technical officers at senior levels drawn from the field, *i.e.*, from the public sector enterprises and other organizations throwing up technical talent.

(*iii*) The advisory service provided by the DGTD should also extend to sugar and vanaspati.

(8) (*i*) The higher technical posts in the organization of the

DGTD should appropriately be graded with suitable emoluments for each grade.

(*ii*) Provision should be made for the appointment to higher technical posts "on contract" for specified periods.

(*iii*) Officers who work under Government for a long period should periodically be deputed to field organizations so that their outlook may be realistic and their knowledge up-to-date.

(9) The Director General, Technical Development, should be specifically charged with the responsibility for promoting modernization.

(10) The DGTD, though placed in the Ministry of Commerce and Industry should be viewed as a common service agency to the entire Government of India. Ministries dealing with individual or sectoral industries or public sector undertakings should be able to draw upon this service directly.

(11) (*i*) Indian industry has now entered upon a new phase of greater mechanization and the application of advanced technology. In this context, the nature of the service needed from the Government has materially changed and the organization which deals with the development and regulation of large industries will have to combine within itself the technical competence of the DGTD and the requisite administrative acumen for implemening from time to time the complex Government regulations. It would, therefore, be desirable to constitute multi-member Development Boards, manned by highly competent technical personnel and assisted by economists and management experts, for industries which may assume large dimensions and require special care in the matter of development and regulation.

(*ii*) The functions of the Boards will be:

(*a*) planning of production and setting up of production targets;

(*b*) furnishing the necessary technical advice to Government;

(*c*) providing technical consultancy service to public sector undertakings, other autonomous organizations, and the private sector;

(*d*) ensuring the provision of necessary scarce inputs to industry; and

(*e*) collection, maintenance and publication of industrial statistics.

(*iii*) The Heads of these Boards should be able to deal directly with the Secretary and the Minister concerned, their offices functioning also as the offices of the Ministry.

(*iv*) The Development Boards should be compact, well-integrated bodies and should be composed largely of technical and specialist personnel of high competence.

(*v*) Persons with economic and management expertise may be appointed as members of a Board if the nature and the needs of the industry concerned justify such an appointment. One of the members could be an administrator with a flair for or having specialized knowledge of experience in the economic and financial fields.

(12) (*i*) The Coal Board should be reconstituted into a Development Board of the type we have described.

(*ii*) It should *inter alia* be entrusted with functions relating to expansion and modernization of mines, procurement of machinery, distribution of coal, co-ordination of research, import substitution and export promotion.

(*iii*) The regulatory functions now being exercised by the Coal

Controller should be transferred to the Board.

(*iv*) The Board should have a high-powered full-time Chairman, having the requisite knowledge and experience in the technical field of mining and geology. There should be four other members, namely, Member (Technical), Member (Finance and Administration), Member (Commercial) and the Chief Mining Engineer.

(*v*) The Coal Board, when dealing with matters other than regulatory, should co-opt an advisory body consisting of: (*a*) the Director General of Mines Safety; (*b*) a senior officer of the transportation wing of the Railways; (*c*) a representative of public sector collieries; (*d*) one representative of the private sector collieries; and (*e*) two representatives of the principal consumers.

(13) The Chief Inspector of Mines should continue to be responsible for the enforcement of mines safety regulation.

(14) The licensing function of the Iron and Steel Controller in respect of import of steel should be transferred to the Chief Controller of Imports and Exports. The remaining functions of the Iron and Steel Controller should be transferred to a Directorate of Iron and Steel in the Ministry of Iron and Steel.

(15) A Development Council for Iron and Steel under the Industries Development and Regulation Act should be constituted in place of the present Advisory Council in the area.

(16) (*i*) A Development Board of the type we have described should be constituted for Textiles.

(*ii*) The Board should have five full-time members designated as Member, Cotton Textile; Member, Jute; Member, Man-made Fibres; Member, Wool; and Member, Financial Administration.

(*iii*) The Office of the Member-in-charge, Jute Industry, should be located in Calcutta and should assume all functions which are at present performed by the Jute Commissioner.

(*iv*) The offices of the Textile Commissioner and the Jute Commissioner will be merged into the organization of the Board.

IV. *Commission on "Prices, Costs and Tariff"*

(17) (*i*) A disturbing feature of the current economic situation, which has an adverse effect on the pace of economic growth, is price instability. Direct physical control is not desirable except in the case of commodities which are basic to human needs and which are in acute short supply. For the rest, price discipline has to be achieved through sophisticated methods involving continuous watch-dog operations, and cost-studies by a central body, leading to the creation of a healthy economic atmosphere in which efficiency in the use of resources is sought after as a necessary and desirable goal of industry. A Commission to be known as the "Commission on Prices, Costs and Tariff" should therefore, be set up by law for undertaking the following functions:

(*a*) determination of prices of industrial products and industrial raw materials and intermediates with a view to assisting the Government in evolving a rational price policy;

(*b*) conducting studies on the costs of production of selected industrial products and locating the areas in which reductions in costs are feasible and necessary and making

recommendations for the achievement of such reduction; and

(*c*) conducting inquiries relating to tariff protection and making recommendations to Government on the basis of such inquiries.

(*ii*) The Commission will conduct inquiries and studies either on a requisition being made by Government or on its own motion after obtaining the concurrence of Government. It should also assist the Planning Commission in carrying out studies relating to prices and cost.

(*iii*) The Commission should be invested with the powers similar to those enjoyed by the Commissions of Inquiry appointed under the Commissions of Inquiry Act, 1952.

(*iv*) The Tariff Commission should be abolished after this Commission is set up, and its staff should be absorbed in the new Commission.

(18) (*i*) The Commission should have seven full-time members.

(*ii*) It should adequately be staffed with experts who are required for the due discharge of its functions. Thus the staff of the existing Tariff Commission, the staff of the Cost Accounts Organization of the Ministry of Finance and of the DGTD may be drawn upon.

(*iii*) The Chairman of the Commission should, preferably be a non-official with high competence and ability.

(*iv*) Two of the Members should be technologists; two of them should be drawn from the field of economists, chartered and cost accountants and management experts; one member should represent consumers' interests and one should be a Trade Union representative.

(*v*) The DGTD and the Chief Economic Adviser should be associated with the work of the Commission. They will, however, not be members of the Commission.

V. *Import Control*

(19) The system of physical import control should continue and the organization for implementing the control should continue to be an executive agency of the Government.

(20) (*i*) An attempt should be made to declare periodically for as wide an area as possible the Government's foreign exchange policy regarding maintenance imports.

(*ii*) The DGTD should periodically work out for each important industry the utilization of its installed capacity so that the allocation of current inputs could be viewed along with this data to ensure their optimum utilization.

(21) The policy and the procedures for the allotment of foreign exchange to industries and the principles to be followed in the unitwise allocation of foreign exchange should be discussed periodically with the non-official members of the Advisory Council on Trade.

(22) (*i*) Provision should be made for filling review applications to Government against second appellate orders relating to permits and licences, including punitive orders.

(*ii*) A Board of Referees should be set up for advising the Government before the applications for review are disposed of.

(*iii*) The Board of Referees should include, besides very senior officers of Government, representatives of recognized bodies in the field of industry and commerce, *e.g.*, Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce.

(*iv*) Where the decision on a review application is not in favour of the applicant the reasons underlying the decision should clearly be brought out.

(*v*) The review applications should be disposed of within a period of, say three months.

(23) The present practice of calling for income-tax verification or exemption certificates from import licensees should be given up.

VI. *Export Promotion*

(24) The Export Promotion Councils should constantly be engaged in identifying handicaps experienced by Indian exporters and recommend adoption of specific remedies to remove them.

(25) (*i*) The Indian Institute of Foreign Trade should assist the various bodies sponsoring market surveys with the exact design of the market surveys and in locating competent foreign surveys and research agencies.

(*ii*) The Institute of Foreign Trade should also develop within itself the competence and capacity to undertake assignments in overseas market surveys.

(26) (*i*) The following defects relating to delegations to foreign countries sponsored by the Export Promotion Councils should be removed :

(*a*) Bunching of several delegations in one country;

(*b*) Unsuitable timings of the delegations;

(*c*) Inadequacy of the knowledge of the members regarding the commodities concerned and the pattern of their trade; and

(*d*) Inadequate knowledge about the peculiar customs and practices of the country visited.

(*ii*) On return the delegations should submit reports containing their observations and the concerned Export Promotion Councils should take the necessary follow-up action.

(27) While recognition of Export Houses need not be unduly restrictive for some time to come, the recognition should be limited for a specific number of years and its further continuance should depend upon the results of a special review conducted with view to ascertaining whether an Export House has maintained high standards of integrity and business ethics in its operations.

(28) The Export Promotion Councils should formulate a code of trade practices and standard terms covering the contracts between the exporter and the manufacturer for each important commodity or group of commodities.

(29) (*i*) The practice of giving representation for various interests on the Commodity Boards should continue.

(*ii*) The Chairman of the Commodity Board should be one having a knowledge of the sector concerned.

(30) (*i*) After the budget of the Commodity Board is sanctioned, there should be no further occasion for getting individual schemes approved by the Government.

(*ii*) The foreign exchange allotment should be made at the beginning of the year after due scrutiny of proposed expenditure and the Boards should be left to incur expenditure within the allotted funds without further reference to Government.

(31) The Export Credit Guarantee Corporation should not undertake direct supplementary financing of exports.

(32) The ECGC should thoroughly examine the past experience in different countries in regard to insurance claims and keep in view the export strategy of Government from time to time in respect of specific markets and specific commodities. They should revise the insurance rates incorporating necessary differentials in the light of various factors mentioned above.

(33) The Corporation should agree to carry out recovery proceedings on behalf of their clients rather liberally on request. The Corporation should also be given a general permission by the Reserve Bank of India to file cases without the need for specific prior permission in individual cases. A blanket foreign exchange permit should be granted to the ECGC to enable them to meet their legal expenses abroad.

(34) (*i*) The activities of the Directorate of Exhibition should, as early as possible, be transferred to the Indian Council of Trade Fairs and Exhibitions (ICTFE).

(*ii*) The grants-in-aid to the Council may continue for a few years, but the Council should ultimately become self-supporting, charging the necessary fees for the services rendered by it to the trade.

(35) (*i*) A bulk allotment of foreign exchange should be made at the beginning of each year. When expenditure is incurred against this allotment, the Department of Economic Affairs need not be required to give a clearance to each item of expenditure.

(*ii*) The requirements of staff (in terms of man-days) for each fair or exhibition in which the ICTFE is allowed to participate should be worked out and got approved in the beginning of the year and thereafter the Council should be allowed to select the persons and the periods of deputation without further reference to Government.

(36) (*i*) Foreign publicity for export promotion should be limited to selected items and areas.

(*ii*) The ICTFE should help in organizing the foreign publicity for various Export Promotion Councils.

(*iii*) The ICTFE should also work out the overall strategy of commercial publicity abroad, keeping in view the resources available for the entire export sector.

(37) The system of fixing standard amount of refund on account of customs and excise duties which have gone into the cost of some exported products may be extended to as many more products as possible.

(38) The Ministry of Commerce and Industry should keep a continuous watch on the international prices of the commodities subject to export duties and take the initiative in suggesting to the Ministry of Finance any reductions in the duties required to compensate for the fall in international prices of these commodities. In the event of a difference of opinion in any case between the Ministry of Commerce and Industry and the Ministry of Finance, the matter should be referred to the full Cabinet.

(39) The estimates of the import content in the products exported, adopted for the purpose of calculating import entitlements, should be reviewed periodically, say once a year, by the technical advisers of the Government in consultation with the concerned Export Promotion Councils and Development Councils.

VII. *Foreign Collaboration*

(40) A Resolution on foreign investment should be issued by Government setting forth its policy

regarding conditions subject to which foreign collaboration would be allowed. The Resolution should also provide for exceptional cases being dealt with on merits and also indicate the areas in which foreign investment would be welcome.

(41) (*i*) The DGTD should conduct a systematic study of the collaboration agreements entered in the past and recommend, in consultation with the Department of Economic Affairs on points involving financial implications, standard terms of financial and technical collaboration with foreign investors.

(*ii*) This review and standardization of terms of collaboration could be stated in important sectors and later on extended to the remaining sectors as well.

(42) The Foreign Investment Committee may be abolished and the matters now going before it may be considered by the Foreign Agreements Committee itself.

(43) Foreign collaboration agreements involving investments of over Rs. 5 crores need not go to the Negotiating Committee and may be considered by the Foreign Agreements Committee itself. The Cabinet Secretary may, however, be associated with the decisions in these cases.

(44) The DGTD should prepare lists showing items in respect of which import of foreign know-how will be permitted; items in respect of which indigenous know-how is available and industries in respect of which import of technical know-how will be prohibited. After its approval of the lists, the Government should give them wide publicity.

VIII. *Management of Foreign Exchange*

(45) (*i*) The annual foreign exchange estimates should be taken up simultaneously with the formulation of the Annual Plan which should take into consideration the availability of foreign exchange.

(*ii*) As a general principle, the allocation of foreign exchange for maintenance requirements of the industrial units should be done on an annual basis.

(*iii*) The system of data collection in the Reserve Bank should be improved and the Bank adequately equipped for tabulating the information collected.

(46) (*i*) The DGTD should initiate the proposals for apportioning the available foreign exchange for current requirements of industries in the light of accepted priorities.

(*ii*) The approval of the Capital Goods Committee should be considered as the final stage where foreign exchange resources are committed. Therefore, the stage of preparedness of the industrial units before giving approval should be thoroughly examined.

(*iii*) The DGTD after a critical examination of the foreign exchange requirements of different industries should work out a schedule according to which the foreign exchange allocation should progressively be reduced.

(47) (*i*) The DGTD should determine and publish in advance for the benefit of importers, the types of equipment and the types of industry which can be financed from particular sources to the maximum economic advantage of the country.

(*ii*) The present practice of setting overall monetary limits for the import of plants of standard sizes instead of setting limits for individual items should be extended to more industries.

(48) (*i*) The present practice of checking whether a person proposing

to travel abroad has repatriated earlier export proceeds should be given up; instead the RBI should periodically prepare a list of persistent defaulters in this regard who should be black-listed for the release of exchange for travel.

(*ii*) Businessmen belonging to a firm which is a member of any Export Promotion Council need not be required to furnish a Bank Certificate vouchsafing their financial standing, before they are granted foreign exchange for travel to promote exports.

(49) The rule regulating the release of foreign exchange for studies abroad should be widely published for general information and should not be altered for a period of at least three years.

(50) The Reserve Bank should insist on the production of proper accounts by persons granted foreign exchange for medical treatment and should undertake where necessary enforcement proceedings.

(51) (*i*) A "Red Book" on invisibles containing regulations governing release of foreign exchange for invisible item may be published.

(*ii*) The amount of foreign exchange spent under the various items and wherever practicable, the number of applicants of various types should be published every six months.

(52) Theoretically, there are arguments to support 'P' Form Control, but the utility or merit of a specific control is measured by its tangible benefits in comparison to the quantum of effort by the Administration and the degree of hardship or harassment to the public. The 'P' Form Control should, therefore, be abolished.

IX. *Control of Capital Issues*

(53) (*i*) The maximum amount of debenture interest or preference share dividends which could be fixed by companies without reference to the Controller of Capital Issues may be incorporated in the Capital Issues Exemption Order.

(*ii*) The months during which large issues of capital by companies are not to be permitted should be declared from time to time by the Government under powers derived from an enabling provision to be incorporated for that purpose in the Exemption Order.

(*iii*) The companies may be allowed to make issues provided all the conditions including those relating to the matters referred to at (*i*) and (*ii*) above are satisfied without making a prior reference to the Controller of Capital Issues.

(*iv*) The separate post of Controller of Capital Issues may be abolished and the Secretary, Department of Economic Affairs, may be declared as the Controller of Capital Issues in addition to his own duties.

X. *Administration of Companies Act*

(54) (*i*) Government should formulate general principles and guidelines in consultation with the Advisory Committee in respect of important matters.

(*ii*) Cases arising in areas in respect of which guidelines are prescribed should be referred to the Advisory Committee for advice if they deviate from the guidelines.

(55) (*i*) The responsibility for the conduct of inspections should be transferred to the Regional Directors of Company Law Administration to whom Regional Inspectors are administratively subordinate. The Regional Directors should, however, draw up the programme for inspection in advance and get them approved by the Director of Inspection.

(*ii*) The Regional Directors should take such follow-up action

on the inspection reports as is found necessary in all matters in respect of which powers have been delegated to them under the Act. Other matters should be referred to the Central Directorate.

(*iii*) With the transfer of his responsibility for the conduct of inspections to the Regional Directors, the Director of Inspection and Investigation should concentrate on the directing of investigation, and on the follow-up action (including prosecution) found necessary as the result of investigation. He should be re-designated as Director of Inspection, Investigation and Prosecution.

(*iv*) The Director will formulate principles, procedures and techniques for carrying out inspections and investigations. The Director will give, where necessary, technical guidance in individual cases to the Regional Directors and the regional inspection staff. Where inter-regional inspections are to be carried out, he will have to devise a concerted strategy which will ensure effective coordination of the inspections carried out in various regions.

(*v*) Those parts of the Secretariat which deal with inspection, investigation and prosecution, should be transferred to the Director so that duplication of work may be avoided. Matters of policy and final approval of prosecution will, of course, continue to be dealt with in the Secretariat.

(56) The functions which are now discharged by the Courts under the Companies Act may be reviewed and those which are of routine administrative nature may be transferred to the executive.

(57) The work relating to Stock Exchanges may be transferred to the Department of Company Affairs.

BOOK REVIEWS

THE NEW INDUSTRIAL STATE; By JOHN KENNETH GALBRAITH, Calcutta, Oxford and IBH Publishing Co., 1967, pp. 247.

In his new book Professor Galbraith is concerned with the anatomy of a new economic system. He calls it "The New Industrial State". Economic history has seen the unfolding of new economic systems one after another—the primitive communism, feudalism, industrial capitalism and then socialism. Neither the economic system of competitive capitalism nor socialism/communism have retained their original characteristics attributed to them in their classical patterns. Indeed they have changed beyond recognition and what is observed in recent times is not a sharp distinction between the economic systems of Capitalism and Socialism which was emphasised by their original prophets and philosophers but rather a process of convergence in which the systems have shed some of their original attributes and have come closer in structure and operation because of the compulsive forces of environment of which the biggest single factor is technology.

The remarkable metamorphosis which capitalism has undergone has been noticed in its various aspects by different observers of capitalism. But it is the merit of Professor Galbraith's treatise to have brought together in a single coherent analysis the impact of environmental factors on the economic system and the consequent changes within the economic system. In this synthesis Professor Galbraith goes much beyond his earlier book *The Affluent Society* which merely poses the new challenges of the affluent society but scarcely analyses the structural characteristics of the economic system which is produced by the affluent society.

Professor Galbraith traces out systematically and logically the consequences of new technology on the economic system and the sociological and political consequences which result, in turn, from the changes in the economic system. This delineation of the logical series of consequences take in its strides, as it were, a wide variety of concepts and ideas each one of which might have been separately unravelled and analysed in the past but have never been seen together as a totality. Herein lies the great significance of Professor Galbraith's book.

II

The major propositions of his thesis are as follows:

(*a*) *New Technology* requires inflexible commitment over a period of time of enormous capital and technologically specialised manpower.

(*b*) Only a *large scale organisation* can undertake such commitments.

(*c*) To discharge these commitments successfully, the *technostructure* of the large organization in conjunction with

the State, resorts to extensive *planning* which supersedes the market.

(*d*) The rise of the technostructure increases the significance and power of the *scientific* and *educational* estate and

(*e*) greatly diminishes the power of the *Trade Unions*.

Professor Galbraith draws attention to the following dangers of the New Industrial State:

(1) The combined power of the state and large organization tends to be monolithic and requires to be challenged by new and independent ideas of the educational institutions.

(2) It tends to create excessive preoccupation with the quantity of goods at the cost of quality of life and its aesthetic and cultural aspects.

(3) It neglects the value of leisure.

Professor Galbraith's vision goes beyond the 'Industrial State' and the consumer society and looks forward to a greater emphasis on aesthetic and artistic aspects of life; massive investments for public benefit including large scale plans for urban reconstruction and development and preservation of the intellectual freedom of the academicians. This is the quintessence of Galbraith's thesis and vision. We may now turn to the refinement and elaborations.

III

LARGE SCALE ORGANIZATION

The place of the industrial giants in the USA economy can be gauged by the fact that fifty largest corporations had over one-third of all manufacturing assets and 500 largest, well over two-thirds. Without large size there can be no supersonic travel, moon exploration and there will not be many automobiles. They alone can commit huge chunks of capital to research and production including development of new production techniques and machines, etc. Large firms are concomitants of modern technology. In 1960, 384 firms with 5,000 employees or more accounted for 85 per cent of all industrial research and development expenditure. The characteristics of such large scale organization are: (*a*) extensive planning, (*b*) internal financing, and (*c*) group decision making by specialists—technical and organizational—who form the technostructure of the large organization described as "mature corporation" as against the "entrepreneurial corporation".

(*a*) *Planning*

Large firms resort to extensive planning not only for the present but also for the future, thereby, forestalling adverse developments and eventualities and ensuring that massive investments of capital and manpower are successful. So far from being controlled by the market, each firm makes market subordinate to the goals of its planning. The variety of strategies for planning employed by the large organization are:

(1) polygot corporation combining the great size with diverse lines of manufacturing.

(2) Vertical integration to supersede the market, converting external negotiations into an internal decision. The planning organization takes every source of supply or the outlet.

(3) A matrix of contract between large firms, a kind of mutual security system is devised by which each firm eliminates market uncertainty.

(4) Consumer management so that what a large firm decides to produce, is wanted by the consumer at remunerative prices. This is secured through advertisement, a well nurtured sales organization, careful management of production design, a huge network of communication and ancillary research and training, commercial radio and television—all aimed at controlling consumer behaviour and building customer loyalty. The *revised sequence* of production deciding consumption completely supersedes the concept of Consumer Sovereignty. The enemies of the market are thus neither the ideology nor the socialists but advanced technology.

(*b*) *Internal Financing*

No form of market uncertainty is so serious as that involving the terms and conditions on which capital is obtained. The large firm, therefore, has a secure source of capital from its own earnings and full control over its expansion and decisions. Decisions which provide three-quarters of the community's supply of savings are made not by individuals but by the management of a few hundred corporations. Investment is determined by influences independent of the market and the rate of interest does nothing to equate supply to demand.

(*c*) *Group-decision Making*

The planning and decision making by the modern corporation is not an individual but a group decision, *i.e.*, decision by the technostructure through a process of decision-making over a long period of time. The technostructure consists of *technical specialists*, *economists* who can foresee demand and ensure supply of labour, capital and other production requirements and *managers* who can coordinate specialists' talents. All these three working through *committee meetings* are the new decision makers. Group decision making extends deeply into the business enterprise and tends to be absolute. It is to organizations rather than to individuals that power in business enterprise and society has irrevocably passed.

THE TECHNOSTRUCTURE—ITS GOALS AND MOTIVATIONS

The *mature corporation*, is a series of concentric circles. In the outermost circle are the ordinary shareholders whose associations are purely pecuniary with no sense of loyalty to the organization. The next inward circle, is of workers with mixed movitation—pecuniary compensation being important but the daily association with organization provides inducement to identification. As one moves inward, there are foremen, supervisory personnel and the clerical and sales and other white collar personnel who merge at their inner perimeter with technicians, engineers, sales executives, scientists, designers and other specialists who comprise the technostructure. Beyond these at the centre are the executives or management. As one moves through these inner circles, *identification and adaptation becomes* increasingly important.

The technostructure wants to ensure its autonomous decision-making process. This explains the goals of decision-making by the technostructure, *viz.*, safety, growth and technical virtuosity. A rising dividend rate comes last. Behind this decision-making by the technostructure is the character and motivation of the members of the technostructure. *First*, they are organization men. They are sustained by

organization. Their goals are the goals of large organization. They are not competitive by instincts. *Second*, they are motivated neither by compulsion nor by pecuniary gains but by identification and adaptation. This motivation is of great importance to the understanding of modern economic behaviour.

The goals of the industrial system are consistent with the motivations of the technostructure within it as well as the goals of the state and the society—which also aim at higher rate of growth and higher technology. Thus there is a principle of *consistency* between the goals of the members of the technostructure of the industrial system and the state and the society.

This analysis explodes the myth of the economic man, *i.e.*, traditional commitment to profit maximisation. If 'profit maximisation' is the goal then the technostructure has to do for the stockholders what they are forbidden to do for themselves? The theoretical model building of economics thus ignores the motivation and behaviour of the decision makers of the modern large corporation.

PLANNING BY THE STATE

In the control of market price and demand through its own planning, the mature corporation is organically in intimate association with the State. Regulation of aggregate demand by the State is necessary to give certainty to the planning by mature corporation and to protect its technostructure. In the context of development of industrial system the Keynesian Revolution turns out to be an epochal contribution. A sufficient public sector is the fulcrum for the regulation of aggregate demand. Military expenditure is half the expenditure of the U.S. federal government. As a result modern military and related procurement policies are adapted to the needs of the industrial system. Large mature corporation becomes an extension of the arm of bureaucray.

President Eisenhowever noted before leaving his office the "Conjunction of an immense military establishment and the large arms industry" and urged the nation "to guard against the acquisition of unwarranted influence of the military industrial complex."

CONVERGENCE BETWEEN THE SOCIALIST SYSTEM AND THE CAPITALISTIC SYSTEM

The need for autonomy of technostructure transcends the economic system and exists even in a socialistic economy. If in traditional capitalistic economy the technostructure of the mature corporation wants to prevent the intervention of the owners, in a socialist economy it wants to prevent the interference of the public authority so that it wants socialism without control of society.

In Soviet Russia also the managers of public sector have emphasised autonomy which is granted under socialist reforms. Every argument for delegation, decentralization and devolution used in discussion about the business administration in the West is echoed although in a different jargon in Russia. Firms have been accorded greater authority over prices, wage rates, production targets, investments and other employment earnings. In the West this has been held as a step towards control by market but it is not. Decentralization in the Soviet Russia involves not a return to the market but a shift of some planning functions from State to the firm and to its technostructure.

Soviet and Western systems are converged not by return to the market but to the same form of planning. Both have outgrown market.

OUTLOOK FOR THE FUTURE

In developing this agenda of the emancipation of the affluent consumer society of today, the educational system can be the necessary force for scepticism, emancipation and pluralism. The educationist must realise his power as the source of factor of/ and exert his powers not on behalf of the industrial system production in the industrial system/but on behalf of the entire human personality. If aesthetic goals are strictly asserted, the industrial system will fall in its place as a detached arm of the state but responsive to the larger purpose of the society.

IV

The different components of Galbraith's New Industrial State cannot be said to be unfamiliar to economists and social thinkers. The nature of new technology, dominance of oligopoly and vertical and horizontal integrations in the economic system, the dethrownment of consumer sovereignty as a consequence of massive commercial advertisement, etc., the regulation of the economy and the use of its countervailing power and other Keynesian prescriptions by the State, the "organization man" and his economic motivations and behaviour and finally the emergence of the high mass consumption or affluent society—all these have been known but to have produced a new system, with internal consistency of its own, out of these old parts is the singular achievement of Galbraith's *magnum opus*.

Criticism, both from left and right, continued to be levelled against the Keynesian revolution long after it was firmly established The 'New Industrial State' ma already be an accomplished fact But it will not scape criticism While introducing the New Industrial State, Galbraith has been severe with text-book economics and with professional economists who have vested interests in its assumptions of the market and mathematical refinements based thereon. It is not, therefore, surprising that the victims of his sarcasm, should be stirred to their depths and return the compliment. In a review article published in the British Economic Journal—June 1968, Professor J. E. Meade of Oxford has tried to salvage both his Liblab belief in the market economy as also the credentials of the professional economists. He raises the issue which forms the title of the article, "Is the New Industrial State inevitable?" The poser of such an issue itself, however, appears to be an attempt to tilt at the imaginary windmill. It is not Galbraith's contention that the New Industrial State is inevitable. Indeed the final constructive part of his thesis is precisely a reminder to the intellectuals of their duty to question the established beliefs of the New Industrial State. Meade makes a distinction between the extreme Historicist Marx and Social Engineer Keynes and feels that Galbraith has been too near with the former and too remote from the latter. Galbraith's agenda for social engineering may appear to Meade as somewhat weak and he has himself suggested some additions. But this by itself cannot justify the contention that Galbraith considers the New Industrial State as inevitable. A social engineer must analyse the anatomy and working of the existing social structure and if he does so, he cannot be dubbed as a Historicist.

Rather than dealing with subjecttive predilictions it would be better

to consider some of the technical points made by Meade in his review. He has pointed out the following shortcomings in Galbraith's analysis.

(1) While emphasising the planning by individual firms, Professor Galbraith has overlooked the problem of general as contrasted with particular equilibrium. Individual company plans have to be simultaneously fulfilled and that is a problem of general equilibrium. For this the free enterprise capitalistic economy depends on the market mechanism.

(2) Market economy is not inconsistent with planning by the firm. As Meade puts it "The market mechanism does not mean a firm giving no thought for the morrow, taking no initiative in planning ahead the introduction of new products and processes, but just waiting for consumers to come to the firm it is by silly contrast of this kind that Professor Galbraith pokes fun at his professional colleagues."

(3) The new developments of Government policy as a countervailing power had nothing to do with the replacement of the old-fashioned entrepreneur by the technostructure. It is rather the consequence of the Great Depression of the 1930s.

(4) A large part of economic activity is not controlled by the modern industrial corporation. This includes services of the tertiary sections of the economy—hotels, travel, entertainments, hairdressers and specialized tailor-made products of luxury manufacturer. The scope for liberal, moderate-scale profit-maximising activities of this sort may as well tend to increase rather than to diminish.

(5) Even large companies have to be profit-minded if they are to survive. Company's growth depends on profits. Even large companies are subjected to pressures of potential competition.

It might be worthwhile to consider whether these criticisms are just. Galbraith has not denied the existence of the small organization in the economy. He has himself drawn attention to its existence. What he has done, however, is to forcefully draw attention to the neglect of the large organization at the hands of the professional economists. As regards potential competition to the large firm and the problem of general equilibrium, Galbraith has referred to competition between different brands, etc., co-existing with agreements between large firms as regards price and division of market. The technical mechanism of adjustment between plans of large firms has not been fully described by Galbraith. Professor Chamberlain's 'Monopolistic Competition' and Joan Robinson's 'Imperfect Competition' are familiar works in this field. The mechanism of general equilibrium in an oligopolistic economy has been generally indicated by Galbraith though he has not technically elaborated it. It is, however, contended by Galbraith that in a market economy individual firms do no planning. What he had rather indicated is that while in the text-book version of the market economy a small firm is described as adjusting its plans to the fluctuations in the market, in the economy dominated by the large organizations it is the market which

is made to adjust to the plans of the firm. This contrast between the situations cannot be dismissed as silly. In fact it is extremely significant in the understanding of the modern industrial state. Finally, it is not Galbraith's contention that Keynesian prescriptions are a consequence of the emergence of the technostructure and the mature corporation. What he has rather done is to show how the goals of the technostructure are consistent with the Keynesian objectives and prescriptions of the modern State.

Meade has made a case for price mechanism in the New Industrial State as well as in the Socialist economies. He says, "there is an increased need for a price mechanism in the Industrial State because here input-output relationships have become so complex and the differentiation between products has become so manifold that simple quantitative planning without a price or market mechanism becomes increasingly clumsy and inefficient. Moreover, this increased need for a signalling system through prices is occurring at a time when advances in mathematical economics and in the electronic and other technologies for measuring and metering have made a great extension of the price mechanism possible." Perhaps Meade wants to suggest the use of the price mechanism as a device for rational calculation. This may well be so. But it cannot salvage the classical price mechansim based on the assumption of numerous buyers and sellers having no direct mutual agreements. That pattern seems to have ended, once and for all.

V

If the above is the criticism of the Liblab economists what would be the viewpoint of the Socialist Economist? Recent economic reforms in the socialist economies have been described as adoption of capitalistic devices by the socialist economies. Such a description has been angrily denounced as 'absurd' by Kosygin. Galbraith also seems to take a similar view when he rejects the description of decentralization in the socialist economy as a return to the market. He would rather like to describe it as the triumph of the autonomy of the technostructure of the large firm. Different descriptions of the same phenomenon may well be possible. But the autonomy of the large firm is in fact equivalent to the decentralized planning by individual firm rather than central planning, coordination and management of the economy. Such decentralized planning by firms is precisely what progress towards market economy implies. There is no reason why a socialist economist should resent such a description. It is, of course, to be conceded that introduction of market mechanism or price mechanism of this sort does not constitute any transition from socialism to capitalism. It merely indicates a different approach to the management of a socialist economy. That such an approach is found more acceptable in all the socialist economies, though to different degrees, is by now well established.

—P. R. Dubhashi

INDIAN AUDIT AND ACCOUNTS DEPARTMENT; By M. S. RAMAYYAR, New Delhi, Indian Institute of Public Administration, 1967, pp. xxii+647, Rs. 30.00.

Accounts are as inescapable to a good Government as they are to a properly run business. The British realized it long ago; this cannot, however, be said of most of our national leaders. Dr. B. R. Ambedkar,

who took an active part in drafting and piloting of the relevant Articles in our Constitution was, however, an illustrious exception. Many of our public men now in office have still not got over the subconscious feeling that Audit and Accounts are not a help but a handicap to progress and development. Indeed, it would not be surprising if many Members of the Legislature, barring those who happen to be Members of the Financial Committees thereof, are not aware of the existence of the Auditor General or of the Report which he presents to the various Houses of the Legislature year by year.

This attitude of having to tolerate rather than welcome the existence of the institution of the Comptroller and Auditor-General of India is reflected in the general attitude of the Ministers and Secretaries in Government. While on paper, the Comptroller and Auditor-General is a high, if somewhat lonely constitutional authority, who has the appearance of being subjected in no manner to the Executive Government, every opportunity is taken by those in executive offices to "clip his wings" and enjoy it. While one cannot argue that the Comptroller and Auditor-General and all his staff posted in his own office and in the offices of the various Accountants-General should function without any sort of control established by convention, it is not unoften that the Finance Ministry attempts to curtail to the maximum extent whatever finances the Comptroller and Auditor-General may require to satisfy his constitutional responsibilities. Likewise, in matters of discipline of the staff also, he is very much in the hands of the Home Ministry.

It is, in fact, absurd to argue as some politicians do that, while the Comptroller and Auditor-General should remain independent, his staff should be subject to the control of Government. The Comptroller and Auditor-General cannot function by himself but only through his tools who must own undiluted loyalty to him and to him alone. Nor is his position in relation to the States particularly more happy as, apart from some interest which they evince in getting the local population employed, they do not act in a manner that would establish that they fully appreciate the benefits that flow from having an independent mechanism of Audit.

An Auditor of a company in the private sector is not always wholly welcome if he attempts to discharge his duties effectively. The Comptroller and Auditor-General is, if anything, more unwelcome to the Executive Government. This is because his functions are not merely to see that appropriate sanctions exist for an expenditure, that proper vouchers are there, and that the item has been properly accounted for, but also to go behind them all to see that an adequate examination had been made of the project before it was sanctioned, that an adequate system exists which makes it evident that efforts were made to make purchases at the lowest prices, that if higher prices had been paid, the reasons were recorded in writing, that no losses occurred during the execution of the project, and that, at the end, the project achieved what it was intended to. And it is this latter part of his job that creates resentment among those in authority.

In the first flush of enthusiasm for rapid economic development and, even partly today, large numbers of fanciful and half-baked schemes have been put into execution and operation. Any Audit Report will show that a significant proportion of such

schemes have not produced even a fraction of the result they were supposed to do. Fortunately or unfortunately, by the time these results are known and pointed out in Audit, the brilliant Technocrat who had devised the scheme and the Minister who had passed it are both gone and the successor is left to hold the baby! The resentment understandably falls on Audit which has pointed out the failure.

If the taxpayer wishes to assure himself that his money has been well spent and that the laws had been correctly applied in collecting the taxes, it is necessary that he not only clothes the Comptroller and Auditor-General with effective powers but also takes much greater interest in his activities. Mr. Ramayyar's book traces the historical development of the position of the Comptroller and Auditor-General and how, from being a subordinate of the Government, he has grown up independent, at least in law, if not wholly in fact.

The Financial and Accounts procedures have also changed and developed over the last 150 years and Mr. Ramayyar has carefully recorded these changes. What is needed, however, is a radical alteration in procedures and rules. Twenty years ago when the main function of Government was confined to mair tenance of law and order, it wa perhaps, all right to have elaborat rules regarding Travelling Allowar ces, Pensions and Salaries (Government Officers and o payments for the few works th were undertaken. Nowadays whe the activities of Government exter almost to every sphere of life, su elaborate rules and procedures a cumbersome and possibly harmf One must develop a sense of propc tion and elaborate checks need n be prescribed to ensure that, in t oddest of circumstances, nobo escapes with an extra rupee. 'Wh is fair is not simple and what simple is not fair' is an old maxi

Mr. Ramayyar's book is ob vously a product of deep, care and patient study. His intima knowledge of the working of t Department has enabled him bring out the many facts of working and these will be interesti not only to the lay man but also the staff of the Department. If o must find fault with this excell monograph, it is that Mr. Ramay has contented himself merely w stating the facts and not given own views about the improvement the system and the organizatio

—A. K. R

GOVERNMENT BUDGETING: By Dr. B. N. GUPTA, Bomb Asia Publishing House, 1967, pp. 354, Rs. 25.00.

Dr. Gupta has achieved the rather difficult task of re-forming a doctorate thesis into an introductory book on Government Budgeting. The diligent lay reader would find sufficient material in this book to enable him to grasp the principles and purpose of Government budgets, especially those of developing countries. The author has happily chosen his quotations; they grip the attention of the non-technical reac Walter Lippman is cited: "Si 1920 men have discovered the pı ciple of prosperity. This discov is the most important advance human knowledge in modern tin It is the discovery that Governm can by the proper use of public fu create a condition of full empl ment for its people." The auth analysis of the Indian Governme

budgets from 1950-51 onwards centres round this theme. As the budget analysis ends with 1963-64, the author could not carry forward his analysis to the following period when performance started lagging behind budgeted quanta. There is a brief description of Performance Budgeting which should enable an interested student to evaluate current budgets and identify shortfalls in preceding ones.

The arrangement of the chapters is well-conceived and sustains the interest of the reader. He is told that "the object of budget is not only to raise resources to cover expenditure, but that there are other objectives, such as increasing savings, promoting exports and serving the objective of social justice in distributing the rewards and sacrifices implicit in planned progress." The elaboration is done without importing too much of the technical jargon which usually goes into a discussion of the economic principles underlying budget formulation.

The procedural aspects of budgeting and the supporting methods adopted for accounting of receipts and expenditure have also received due consideration. The functions of the Comptroller and Auditor-General in India are briefly set out. An interesting criticism of Mr. Appleby's views is included. The author holds that Mr. Appleby has exaggerated the role of the administration vis-a-vis auditing. In the context of the sympathetic support which Mr. Appleby's views received at the time they were propounded, the author's critical assessment and dissent from some of these views is refreshing. Discussing parliamentary control and the relationship between the Public Accounts Committee and the Comptroller and Auditor-General the amusingly instructive quotation from Hilton Young tickles the reader—"The Committee takes the Treasury in one hand and the Auditor-General in the other, and goes for a hunting in the expenditure for the year under review as certified in the Appropriation Accounts. The Auditor-General beats the bush, the Committee runs it down, and the Treasury breaks it up."

In the chapter on "Budgeting for Economic Development", a reference has been made to Japan: "A rapidly developing country which introduced as early as 1889 a budget system as a means of rationalising and controlling government activities. In that country government budgeting appears to have led and not lagged behind the process of economic development." One would have wished for a more detailed case-study of that country's budgetary practice especially in the post-war years. The inclusion of such a study would act as a stimulant to the reader and perhaps set him on the exercise of estimating relatively the pragmatic and idealistic contents of the Japanese and Indian budgets.

[In the table on page 211 the column headings have to be displaced to the right to tally with the figures below].

—S. RATNAM

THE FINANCING OF EDUCATION, By Dr. ATMANAND MISHRA, Bombay, Asia Publishing House, 1967, pp. viii + 312, Rs. 25.00.

Dr. Atmanand Mishra has in this book somewhat modified his approach to education and finance when compared with the same

subject treated in his earlier book entitled *Educational Finance in India*, 1962. The present book published five years later, indicates the same industry, scholarship and enthusiasm for the subject, as in the earlier study. The former book of 616 pages was really considered to be an outstanding contribution to the subject for which the University of Sagaur awarded the author the degree of D. Litt. The difference in the treatment of the subject matter in the two books is that in the earlier volume the historical survey of financing of education from the days of East India Company to modern times covered a geat deal of detailed information with necessary evidence and documentation. A part of that book was devoted to evaluation of existing trends and practices and to the methods of allocation of finance to various sectors of Indian education. In the present volume which is very much compressed, the author has again traced the history of financing of Indian education from earliest days as far as possible to the present times. But before doing so he has discussed in the first two interesting chapters basic facts and concepts of financing of education and factors that influence and determine the budgetary procedures and provision of requisite finance for education at different stages of development.

In addition, this book draws a fairly full financial picture right up to the allocation made in the draft Fourth Five Year Plan and the various important recommendations of the Education Commission.

The book clearly indicates methods of research and scholarship supported by well-documented statements where evidence has been sifted very clearly. The reference notes at the end of each chapter, the bibliography and the index show the clarity of thinking as well as the tremendous labour involved in the production of the book.

As happens very often in the case of such historical studies, while it can be granted that there is a thread of continuity in certain patterns of financial provision, such patterns are hardly adequate for the revolutionary changes that have taken place in modern times in fields of science, technology and social sciences. Besides the quantitative changes have great influence on qualitative matters and there is a tremendous gap between traditional methods of providing finance and actual requirements for the big programmes of modern times. In the present book the historical data, the analytical tables and the supporting statements have all their utility in understanding the past. But when one comes to the chapter on "Education in Post-Independence Era" one feels that the historical treatment of the subject is often inadequate to the understanding of the analysis of the present ills and it is possible to write another book on present situation at the Centre and in the different States both from the point of view of planned developments and inadequacy of administrative structures.

The author gives significant information under "Basic Facts and Concepts" about planning for education, resources and objects of expenditure and statistics of educational finance as well as certain definitions and clarifications about technical terms used by educational administrators for budgetary procedures.

The determining factors dealt with in the next chapter similarly draw our attention to rather superficially treated themes like changes in socio-cultural environment, influence of religion and political form

of Government, effects of industrialization and the growth of population and factors like national dividends and standards of living and the problem of securing resources and allocation of funds. These are relevant subject-headings but it is difficult for a student of education or educational finance to deal adequately with such problems which might need a deeper, if not a lengthier, treatment if the relationship between education and such factors was to be properly analysed.

The author seems to be getting in some places at the core of the problem and yet there is a hesitation to arrive at the solution or even at an analysis of the situation to its logical conclusion that educational development only progresses haltingly in relation to the economic development and that for an underdeveloped country the priority should be for husbanding resources and utilizing them for agricultural and industrial development first in order to create additional resources for education. The quotation from Bertrand Russell's "New Hopes for a Changing World" (1951) that 'there is, in any given society at any given time, a considerable possibility that increase in population may outstrip improvement in technique and, therefore, cause a general lowering of standards of life" does not clarify the relationship between the increasing population and expanding education in its application to the Indian scene and the financial compulsions. Another reference in the same section to the studies conducted by W. R. Burgess and W. G. Carr in their books "Trends in School Costs" and "School Finance" respectively, which indicated that in half a century from 1870 to 1920 while the population increased three-fold, school attendance increased four-fold, and educational expenditure twelve-fold and that high school enrolment always went up in geometric progression, compared with enrolment at the elementary school stage, appears to be unrelated to the logical sequence of the points the author has in mind. Thus some of these sections may be found to be bland or naive.

The third chapter is devoted to the evolution of policy which has been defined in terms of the dictionary meaning as a course of action followed to achieve the higher ends and general methods and goals pursued by Government in meeting its obligation towards education of the people. This has been historically worked out tracing the position in ancient India, medieval India, British times and in independent India through the Five-Year Plans. It is rightly stated that the concept of a national system of education was never there till after the Second World War when the Sargent Plan was first conceived by the Central Advisory Board of Education. The earliest attempt at policy making was perhaps seen in Wood's despatch of 1854. The Centre's interest in the education had waxed and waned alternately. But it has been pointed out that there has been a complete absence of educational law or policy in the real sense of the term. The Centre could not pass Acts about education except for central subjects like the Act of 1956 creating the University Grants Commission. The other Acts like those meant for Universities and local self-governments are passed by the State Governments. The Centre could of course pass Acts regarding the museums and ancient monuments and other central subjects. What exactly then is meant by educational policy at the Centre except what can be stated as a development programme conceived during the last fifteen years through the Plans? To say that we should have better schools

and better teachers and better courses of studies and provision for research with equipment and libraries is hardly planning for education though all plans have said it. Planning implies knowledge of facts, analysis of statistical data and determination of desired goals and priorities with provision of necessary funds calculated on certain unit costs. Actually what is meant by a national policy is nothing but a course of action limited by time and by financial provisions to further the ends and goals of educational needs of an economically developing country. Educational policy cannot be described either in abstract terms or even as a static approach to development. The recent attempt at evolving an educational policy at national level either through the Commission's report or through the Report of a Parliamentary Committee would thus appear somewhat abortive unless the programmes through plans are meant to convey the concept of an education policy. Apparently educational policy would only appear to mean certain programmes for which essential finances and resources have to be worked out and made available.

The next chapters, IV, V and VI are historical, indicating a lot of factual data regarding how institutions in ancient medieval and British times were financed by whatever governmental form was there and through private resources and endowments. These chapter are informative and scholarly and provide extremely useful reference material.

The last chapter is perhaps the most interesting and well-worked out section of the book giving information about educational development in post-Independence era. The quotations given to support some of the statements either from the Planning Commission's Report or from the Constitution or from other documents appear to be somewhat vague and abstract and do not convey much meaning beyond conventional platitudes and generalities. The tables and analysis given about the distribution of finance for different sectors of education, the account of the work of the U.G.C., the description of the various systems of State grants like the proportionate grant, deficit grant, salary grant, capitation grant, multiple grant are really put together in a nutshell and logical sequence with well documented authorities.

Financing of education is a very complicated problem and very often historical data on broad lines does not really bring out the nature of the problem. Today in spite of the large amounts that have been provided through the three Plans for development of education the institutions at all levels in most of the States will be found to be suffering from inadequacy of funds for the kind of work that the institutions are intended to take up. For this purpose perhaps some further research is very necessary. Taking, for example, the problem of Universities and colleges it will be seen that most of the State Universities and colleges today which are dependent on Government grants for their maintenance and on the University Grants Commission for their development have serious complaints of the inadequacy of the funds resulting in lowering of standards. The Central Universities of Delhi, Banaras, Aligarh and Vishwa Bharati which get lakhs of rupees every year for development as well as maintenance from the University Grants Commission have much larger funds at their disposal than the State Universities but research in relationship between top standards in a University and the finances provided has yet to be undertaken to find how University with much less finances often attains

high standards comparable with others having larger financial resources. For example, the Delhi University Bulletin for May 1968 points out that while their deficit for maintenance grant was about Rs. 70 lakhs in the year 1966-67 it would come to Rs. 99 lakhs for 1967-68 and it is estimated to Rs. 112 lakhs for 1968-69. This indicates that to cover the deficit they will get about Rs. 112 lakhs from the University Grants Commission for the year 1968-69. In addition, they will secure about Rs. 72 lakhs for development schemes and Rs. 17 lakhs for the advanced centres. Besides, the colleges affiliated to the Delhi University would secure about Rs. 1.5 crores for maintenance. No other State University in the country obtains such large State grants and the reasons for disparity of Government grants in State Universities and Central Universities have not been studied from the point of view of provision of finances and achievements. Against this there are Universities which hardly get Rs. 2 to 10 lakhs as maintenance grants per year and they have no promise or likelihood of additional maintenance grants if they undertake any development of University departments even though the grants of the U.G.C. are assured. The Education Commission had collected some data regarding such disparities but it is obvious that the data has not been processed to logical conclusions and in spite of their statement that they desire to do away national disparities of this nature no worthwhile research of the problem has been undertaken.

The problem of the schools, secondary as well as elementary is nearly of the same pattern. Parallels from other countries have not been able to guide us in solving this question because of the increasing numbers in the schools, colleges and universities and inadequacy of funds to meet the rising requirements.

The real problem appears to be that scholars and research workers in this field have to be rigorously empirical. They should be independent in formulating hypothesis in such a way that they could be subjected to criticism by empirical verification or refutation. This would be possible if it is understood that the historical and economic data and accepted generalizations are by their very nature inconclusive. However, the scholars have to make their hypothesis precise and testable, and in the process of growth and development and everchanging social environment, this is by no means an easy task.

The problem of educational development is necessarily a problem of growth and modernization. The significant features in such a growth are always creative. These are to be built up through an intensive educational process for the decisive element in our struggle to solve problems. For example, organization of social or distributive justice essentially lies in quality of scientific knowledge and technical skills. In such a situation we often visualize the conflict between the pull of the past and the vision of the future. This means that in the present society which is gradually emerging from centuries of ignorance and poverty there are large sections or pockets of reactionary traditions glorifying the past beliefs and practices as immutable. In such cases tradition is very often static. Their whole approach is to do things as they had been done before. Values and practices of the past have no doubt lessons for us but are they to be preserved, adopted or changed? The inflexible approach is hostile to innovation and antithetical to revolutionary changes, modernization and growth.

In both the books of Dr. Mishra "The Educational Finance in India" as well as the "Financing of Indian Education", one fails to see the intellectual discontent with the various practices of the past and suggestions for revolutionary changes. The analysis of the present practices given in the present volume and the description of the various institutions like the Planning Commission, Central Ministry of Education, the University Grants Commission, the State Governments and their administrative procedures do not give us an integrated approach to the nascent problem of what to do when we have less finances and less capacity to spend on education per capita. Before one concludes that a country should go allout for more education we have to see what is meant by such a generalization. This is indeed a planning problem. The U. S. A. from 1890 onwards made large changes in their educational system through fairly well built financial structure after they became a high-income country. The Soviet Union which has made great economic strides during recent decades has no doubt revolutionized or modernized its educational system to deal with the progress of economic development but even then in 1959 after nearly 30 years of big industrialization the average schooling of the working man in Russia was of four years only. Schooling thus is necessary for development but how much schooling will bring development, is still a matter of debate and deeper research.

The question asked by the Education Commission, which has felt that transformation of society can only be brought by big programmes of education, is that the education system is related to the needs and aspirations of the nation. But even the Commission seems to miss the very important point raised above. The situation in which we find ourselves today is one of moving quickly from poverty to affluence or from backwardness to the position of a modern nation. This means probably that we have gradually to climb from one economic level to the next by halting steps analysing the situation every time as to how to build up economic gains without wastages and administrative inefficiencies.

Education and finance are very much like the old egg and hen story as to which comes first. Does education precede or follow affluence in society? Historically, from examples of the U.K., the U.S.A., the U.S.S.R., it can be said that raises in schooling follow increases in income but the two are so much interdependent that without improved training of skills and capacity to analyse problems built up through a programme of intensive education and training rise in economic levels through a process of industrialization or modernization would not be attained.

Even through the three Plans it has not been possible to provide for education an average of more than 6 per cent of the total plan provision for education. The percentage of national income for education has been halting, rising to a level of about 3 per cent today. But can it go to 6 per cent in about 20 years as envisaged by the Education Commission? This question is again very difficult to answer because during these 20 years we have yet to make attempts to raise the country from the level of poverty facing the problems of food, nutrition, industrialization, urbanization and population to which first our resources will have to be directed. Education will have to be linked up with these sectors of economic development and the process has to be inevitably slow. It is

not enough to take the historical parallels for this purpose, nor generalizations that educated nations have the highest income for such a conclusion is so sweeping that analysing it deeply one learns very little as to what contribution education made to the affluence of society.

The problem of Education and Finance thus needs further detailed research by scholars, particularly social scientists and economists along with educationists. Dr. Mishra has given us two extremely good studies to start with, which should inspire research scholars in the field to take up several studies of detailed work that would enable our administrators and planners to be more precise, consistent and logical in preparing educational programmes.

—K. L. Joshi

PUBLIC ENTERPRISES IN INDIA—A STUDY OF PUBLIC RELATIONS AND ANNUAL REPORTS; By LAXMI NARAIN, New Delhi, S. Chand & Co., 1960, pp. 260, Rs. 20.00.

The "External Relations" of an Industry may be said to fall into three broad aspects namely (1) Relations with the Public, (2) Relations with other Industries, and (3) Relations with Government.

Dr. Narain's book deals with the first of these three aspects insofar as it concerns the Public Enterprises. His study sponsored by the Research Programmes Committee of the Planning Commission is indeed a welcome addition to the literature bearing on Public Enterprises in India. It is to be hoped that this painstaking and very revealing study will receive the attention it deserves from the Chief Executives, Financial Advisers and Public Relations Officers of Public Undertakings in India. Their number has already increased to eighty-two and they involve an investment of nearly 30,000 million rupees—a very huge investment by any reckoning—and one closely linked up with the future economic progress of our country.

Dr. Narain begins his book with a chapter on the organization of Public Relations departments of [illegible] the Public Relations Chiefs, the aims and objectives of these departments. He also elaborates who this "public" are, and what the various tools of public relations can be. The picture as it emerges from his study is not very flattering. It is clear from his enumeration of their aims and objectives that, with the exception of one or two, most of them have misconceived their objectives as merely "disseminating knowledge of the Project" or "informing the general public about various activities". It is sad to read, Dr. Narain's conclusion that in many cases "public relations is not regarded as a function of management. It is treated as an adjunct of the sales or personnel departments or is developed as a cell dealing with liaison work, contacts, reservation of transportation for senior officers etc." But it is all true. It is to be hoped that the lesson will be learnt, as Dr. Narain has so succintly suggested that "Public relations to be effective must be conceived in its true perspective and should function directly under the chief executive officer of the enterprise". "Public relations, 'of necessity, is a long-term exercise to [illegible]

results can be achieved." (page 43). 'At present, in most cases, the knowledge of PRO about the policies and programmes of the enterprise are no better than that of other executives in the organization. No systematic method of keeping him posted with the policy decisions and day-to-day development has been devised. The PROs do not attend meeting of the Board of Directors and they are seldom shown the minutes of such meetings. The top management, for most matters of policy, considers itself its own public relations adviser." It is clear that as yet management has not become 'Public Relation" minded. (page 44).

Chapter II of the book by Dr. Narain deals with the Annual Reports of the Public Enterprises. According to the writer, beyond meeting the statutory requirements, they do not reveal much. The Government, in general, exercise no control over the contents of the Annual Reports (page 60). The Estimates Committee and the Committee on Public Undertakings have made many suggestions to improve their contents and the information they ought to communicate. The Estimates Committee in their 73rd Report pointed out that "Parliament is not interested merely in the rate of dividend declared but is also concerned with various aspects of their working, such as their physical and financial programme, achievements in relation to programme, productivity, cost of production, ...e structure, employment trends, ...our relations, organizational ...nges etc." Government accepted ... recommendations and instruc... were issued. Dr. Narain com... "Nothing worth mentioning, ...ver, has resulted from this" ... 63). The present reviewer, ... associated with the Parlia... Committee on Public Un... agrees with the comment.

The reports by the enterprises are in some cases delayed. "But it is not only the Enterprise" Dr. Narain adds "the Government too will have to streamline its machinery. There is no reason why government should generally require 3 to 6 months after the receipt of the reports, just to place them before Parliament. The answer that Parliament was not in session would hardly be valid for the simple reason that the gap between the Parliamentary sessions is generally not more than three months (page 77).

Chapter III is entitled a survey of Annual Reports. Dr. Narain discusses at length the contents of these reports and how set formulae and vague statements fill their pages on matters financial, personnel, labour relations and welfare, production costs, and efficiency. Sales and export promotion, consumer relations, pricing policy, research and development, organization and management. It should, therefore, surprise none if Parliament is impatient of such reporting. Government directives even are not given in the reports. Dr. Narain while being critical is also constructive, in that, he has suggested certain indices of efficiency, certain financial ratios which if given would enhance the value of the reports.

Dr. Narain's conclusion, it is hoped, will not be lost on those whom it concerns. "The Directors' Reports have a long way to go to provide a fuller account of the operations and problems of public enterprises."

Chapter VI is a chapter that deals with "Miscellaneous matters". It is nevertheless equally revealing. It deals with the responsibility and process of preparation of the annual reports, the number of copies printed which range from 300 to 5000, the

cost of printing which ranges from 39 paise to Rs. 13.89 per copy, their limited circulation, their format, presentation of material, abbreviations which convey no meaning to an outside reader, all of which need to be attended to by an alert management (page 140-162). For as Dr. Narain seems to suggest though the formula of the report states, "your board, it seems to have been forgotten that the annual report of a public undertaking is in reality a report presented to the nation." (page 162).

Dr. Narain's book will have rendered a signal service if the lessons it teaches are learnt and managements profit by it.

—N. N. MALLYA

INCENTIVES IN PUBLIC ENTERPRISE; By V. V. RAMANADHAM (Ed.), Bombay, N. M. Tripathi Pvt. Ltd., 1967, pp. 252, Rs. 15.00.

This book includes the review of the three consecutive seminars on much discussed and complex problem of Incentives, at Ranchi, Delhi and Hyderabad during 1966, conducted by the Institute of Public Enterprise, Hyderabad. In addition to these, there are a series of professional and other viewpoints *i.e.*, of an economist, an engineer, personnel manager, etc., discussed at the Seminar; the various incentive Schemes in vogue in various public enterprises like Hindustan Cables, Bharat Electronics, Indian Telephone Industries, F.A.C.T., Singareni Collieries, etc., and their review by an expert; and detailed working papers on the incentive schemes in Hindustan Steel Ltd., and National Coal Development Corporation. The relevant extracts from the Estimates Committee reports, and some material on incentives in foreign countries, form the part of appendices. The discussions have ranged over the whole gamut of incentives—both tangible and intangible, and an attempt has been made to search for a working synthesis between social, economic and managerial concepts and theory on one hand, and the empirical facts of reality on the other.

The effectiveness of incentives as tools to increasing productivity is an accepted rule these days. Yet one of the most powerful incentives is provided by a state of high morale and by a sense of belonging which has to be assiduously nurtured. The worker's participation in management could develop this on a lasting basis and could result in an effective incentive to the industrial peace. Unfortunately, to the concept of worker's participation in management, a great deal of mere lip service is done, and in the absence of an effective thinking on this problem, this concept may become utopian. The growth of a responsible trade union movement that would promote the real long-term interests of workers consistent with their position as a part of the entire community is also important.

The discussions at the seminars revealed substantial gaps in the knowledge and understanding in the problem of incentives and give an impression that the various incentive schemes in vogue are a patch work of *ad hoc* decisions taken by the management without deep study of human motivations.

The book is edited by Prof. V. V. Ramanadham, on behalf of the Institute of Public Enterprise, which has been conducting useful and purposeful seminars to discuss

the various problems of public enterprises objectively so as to throw up important findings, which might aid the people involved in the management of public enterprises. Prof. Ramanadham has indeed a good job in presenting the study in a comparative way, and this book could serve as the basis for further discussion of and research in the field of incentives. In this connection, I may venture to suggest that it would be useful if a compendium volume containing incentive schemes at work in various public sector enterprises and in some representative and well-known enterprises in the private sector is brought out by some organization in the country. A volume of this kind will help in seeing the problem of incentive in all its aspects as also render the task of social engineers and labour relations experts to formulate scheme of incentives which may commend themselves for ready acceptance by managements. Such a compendium will help uniformity of approach and provide adequate guidance for experimentation in this delicate field.

—RAJ K. NIGAM